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HOW LONG WILL THIS PROSPERITY BE MAINTAINED?

Various Authorities Express Opinion on This Vital Point

LABOR IS THE SNAG

Already Effect of Increasing Wages is Being Noted in Building and Steel Industries in States

How long will the present period of prosperity continue? That is the question being asked by business men. The prosperity referred to is industrial rather than agricultural and in a much more pronounced way in the United States than it is in Canada. However, even though the business improvement was not noted so soon and has not been so pronounced in this country, there are indications that it will begin to ebb with the turn of the tide in the United States unless there is a marked improvement in conditions affecting the farming industry in connection with the next crop. Canada is dependent to a much greater extent than her neighbor upon agriculture as a factor in her prosperity.

The possible extent and duration of the period of prosperity is the all-important question now, in the opinion of Hayden Stone and Company, New York.

Impressive though the recovery has been, it so far represents, to a considerable degree, the normal swing back from the acute depression of two years ago, when production was at a standstill and surplus stocks of all kinds of manufactured goods were reduced to a minimum. Notwithstanding a good deal of talk about it, there has been no real inflation yet. The past twelve months has witnessed an increase of about 20 per cent. in the general level of commodity prices and an expansion in production from a very low rate to practically a capacity basis, and yet there has been a decrease in the earning assets of the twelve Federal Reserve banks and an increase of only $739,000,000 in the loans and discounts of the member banks, a large part of which went to finance the upward movement in security prices. In other words, there has been no impairment of credit resources. This is not inflation, but it cannot be denied that the stage is set for it and everything depends upon the policy of the Federal Reserve Board. It is to be hoped that the lesson of 1919 and 1920 will not soon be forgotten and that the recent advance in the New York and Boston discount rates can be taken as an indication of future policy. With wise handling of the situation, it should be possible to avoid any such debacle as followed the speculative orgy of the post-war boom. But at all events, the legitimate demands of business make it certain that money rates are definitely on the up-grade.

Period is Uncertain

The duration of the present business boom cannot be predicted in the opinion of Benjamin M. Anderson, Jr., Ph. D., Economist of the Chase National Bank of New York:

One cannot with certainty predict the duration of the present business boom. The momentum is strong and business psychology is rapidly growing enthusiastic. One may, however, with a good deal of confidence point out factors of uncertainty and danger already in operation which are tending to bring the boom to an end, and one may with even greater confidence indicate what is sound and prudent policy in such a situation. The policy of the sound and prudent business man will be to go ahead and do business and take advantage of existing markets. The business man will be well advised, however, to operate with an unusually large margin of working capital and to be unusually cautious both in the giving and in the taking of credits. He will operate on the principle of quick turnover, even though quick turnover means modest profits. He will avoid long-time commitments. Above all, he will avoid plant expansion. He will watch collections closely. Finally, he will be very conservative in paying out dividends or in taking profits out of the business. He will seek to conserve profits and to enlarge surplus as a buffer against future shocks, and against the unforeseen contingencies which an unbalanced world economic situation may easily compel him to face.

If there is general caution on the part of business men, the boom will not end in violent reaction. Rather it will slow down somewhat, and turn into a more modest kind of activity which will last longer than the present feverish pace is likely to last.

The Labor Factor

Discussing the question of how long the present recovery will continue, the Bache Review points out that such recoveries have always taken place after a collapse like that following the last speculative boom. The Review believes that labor is the crux of the situation and that there must be another period of adjustment:

Looking back to 1921 and the beginning of 1922, when the process was going on, we find that a fairly complete readjustment was made in everything but labor. Labor was the last to liquidate, and this liquidation had not gone far before it was halted by two things. The first was the activity of the recovery, and the second was the fact that new labor supplies had been cut off by our immigration laws. Consequently, it may be said that in the recovery of 1922 the labor readjustment was never accomplished, and it is for this reason that many people regard the present recovery as somewhat unstable.

The Review points out that the labor shortage and increasing wages are already having the effect of put-

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C.M.A. Comes Between Employers and Workers

From Our Own Correspondent.

ST. JOHN.—Employers of the province of New Brunswick have been organized into an association for mutual protection and benefit, the primary objective of the association being to act as intermediary between the employers and the Workmen's Compensation Board of New Brunswick, a stormy petrel in New Brunswick industry, and mainly to lessen the demands made on the employers for compensation. The pulp and paper manufacturing companies and the concerns and individuals interested in lumber, are chiefly responsible for the organization.

The formation of the New Brunswick Employers' Association is under the general direction of the Canadian Manufacturers' Association.

FRENCH CAPITAL IS AFRAID OF OUR TAXES

Levy on Capital Too Heavy as Compared With Levy on Revenue

From Our Own Correspondent.

EDMONTON.—Capital from France for industrial investment in this country will be a bit slow in coming, according to L. Bureau, of Paris, a recent visitor here. French investors are interested in Canada, he says, but the high taxes are having the effect of holding them back from actual investment. High taxation, he admits, is familiar enough in France itself, but the taxes are more evenly distributed there and are on a revenue basis rather than on capital. The Canadian system of taxing vacant land will, he thinks, discourage further land buying by French capitalists for a considerable time.

There is a good deal of interest in France in Canadian mining possibilities, however, and M. Bureau, who is already an investor in a coal mining enterprise on the Coalspur branch west of Edmonton, has been looking over the field with a view to making a report for a Paris syndicate.

GOVERNMENT WILL CHARGE HIGHER RATE

Decision of Bracken Government in Manitoba Justifies Course of Banks

From Our Own Correspondent.

WINNIPEG.—Premier Bracken in his definition of policy on rural credits intimates that to put Manitoba's rural credits system upon a paying basis it will be necessary to increase interest charges. This is exactly the point where chartered bankers and the Norris government reached an empasse. The Norris government insisted upon a low fixed rate for rural credit funds which banks were to advance, and set out to do it. Bankers stood out for a proper economic adjustment of interest rates as fixed from time to time by the exigencies of money market.

Politics again gives way before immutable economic laws. Definite announcement comes from Premier Bracken that rural credits system will be continued though loans may be curtailed. The government proposes to make the scheme self-supporting and borrowers will be called upon to pay full cost of loans. Slight amendments to the act will be made along lines suggested in the Jackman-Collyer report. No one, he announced, could as yet tell definitely what rural credit losses would total, but the government intended to make them as small as possible.

In a new broadside of criticism, F. Y. Newton, Conservative member for Roblin, charges that "straw men" have been used to get loans under rural credit scheme. Money was obtained, according to Newton, by hired men for their employers. "The rural credits system has demoralized the credit system of Manitoba wherever societies have been formed. Private loan companies, machine companies, and other interests are withdrawing from districts because security taken by rural credit society takes precedence over all liabilities," he maintains.

Campaign to Market Alberta Coal in East

From Our Own Correspondent.

EDMONTON.—The campaign to introduce and popularize Alberta coal in Ontario is making some headway. Arrangements are now being made to send a test shipment of coal, probably from the Drumheller field, to Toronto and possibly to other centres. The Alberta government will have demonstrators in charge, and the expense of the shipment will be borne by the coal operators. It is intended to ask the co-operation of the Ontario government.

This demonstration scheme will be somewhat in advance of the freight rate tariff, it is recognized, but there are strong hopes of securing a reduced freight rate on coal going east, and the assumption is to be that the present efforts in that direction will be successful.

HEARD IN THE STREET

Tape—"What does he know about investments?"

Ticker—"Why, he thinks U. S. Steel is a brother of L. R. Steel."

LLOYD'S BANK MAY BUY INTEREST IN CANADIAN BANK

Merger Fell Through Because Terms Could Not be Agreed on

PRECEDENT OF ROYAL

One of Larger London Banks Now Owns Substantial Interest in the Royal Bank

From Our Own Correspondent.

MONTREAL.—Negotiations for the purchase of a large block of stock in a Canadian bank by one of the larger English banking institutions seems to be progressing slowly. No definite word has come from England of the consummation of any arrangement. This transaction was referred to in THE FINANCIAL POST two weeks ago.

The Canadian bank mentioned is the one which it was expected a short time ago would be absorbed by some other Canadian bank. The merger fell through. It is understood there were several reasons why the transaction could not be completed. The question of price entered into the matter. The smaller bank felt that not only its book position but the value of its will should be taken into consideration when determining the price to be paid for its shares. Three of the larger Canadian banks were mentioned as likely to take over this business but every one of these banks is well represented through Canada and did not require additional branches in order to keep in contact with every business and agricultural community in the country.

The Department of Finance at Ottawa was determinedly opposed to the merger. There is no doubt that the present Finance Minister and probably any successor in the future will never consent to a bank merger unless it can be clearly and definitely indicated that it is both necessary and advisable in the public interest. There was some doubt as to whether the suggested merger was absolutely necessary—if there were not other ways of broadening the basis of business of the smaller bank without forcing it to lose its identity entirely. It would have been exceedingly unfortunate at the present time had the merger been completed for with the Bank Act up for revision again attention is focused upon banking affairs in general and certainly the public would dislike to see any further concentration of banking power.

Lloyd's Bank in Deal?

The British bank named in connection with the negotiations that are now proceeding is Lloyd's, one of the five largest British banks and one that is well connected throughout the world. It has numerous branches and connections through the British Isles and owns controlling interest in large banks in South America and in other countries. The transaction will probably involve the purchase of a large number of shares in the Canadian bank by Lloyd's Bank. If the shares

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Senators of Maritimes Want Railway Hotels

From Our Own Correspondent.

OTTAWA.—The senators from the maritime provinces are trying to induce Sir Henry Thornton to build some railway hotels down there. Senator McDonald suggests St. John and Halifax as good cities for hotels and he also puts in a few words for his town of Shediac, N. B. Senator J. D. Reid opposed the proposal on the ground that the maritime provinces had much better go after lower freight rates.

Air Must be Cleared as to Taxation of Bond Interest

If the ruling made by the Department of Justice that interest for bonds cannot be deducted from corporation earnings, before the income tax assessment is applied, is sustained, the net profits for dividends of many corporations will be affected. It will in that event be necessary to amend the Act either to allow bond interest to be deducted as a working expense or to exempt such income of individuals, as in the case of dividends (already taxed as earnings), if an inequitable double levy is to be avoided.

The whole question of the allowance of interest as a working expense arose in connection with an appeal of the United Gas Company, of Tillsonburg, against the ruling of the Commissioner of Taxation, refusing to allow that company for discount on a bond issue sold below par. The decision was, in effect, that discount should be regarded as bond interest but that the Act did not make allowance for bond interest. This places bond interest in the same class as stock dividends but it involves double taxation because income from dividends on which taxes have already been paid is deductible from the income of stockholders. The same ruling was construed by the taxation commissioner as applying to interest paid by lending institutions on debentures and debenture stock. The whole matter is being considered by the Department of Justice.

The point has also arisen as to whether not only debenture interest by mortgage companies, but interest on bank and other savings deposits is exempt under the Act. On this point there appears to be a distinction between money which might be regarded as "raw material," as in the case of loans to industries and the capital deposits and debentures of mortgage companies and banks on the one hand and money represented by capital assets as in the case of bonds and mortgages on the other. Under the British Act bond interest is not allowed as an expense. It is classified with dividends. But interest on bank loans and current capital of banks is deductible.

The ruling made seems to indicate an unfortunate weakness in the Act. On the basis of opinions of financial and business authorities consulted, THE FINANCIAL POST believes that if the ruling is sustained the Act should be amended so that bond and other interest will not be taxed on the basis of profits but on the basis of working capital, the levy being made on the income of the individual as has been the custom. On the technical point over which the whole difficulty has arisen the constructive suggestion is that exemption of bond interest be allowed, not on the basis of the rate of interest on the face of the bond, but on the basis of the actual cost of the money over the period of the issue. This can be established at the time the money is raised and definitely fixed for taxation purposes. The argument that bonds should be classified as shares and all interest taxed as in the case of dividends would undoubtedly have the effect in Canada of discouraging outside capital which in the case of industrial enterprise can be secured on the sale of bonds when shares would not be attractive. Already capital in Canada is bearing a burden which is discouraging to that type of enterprise which means so much to a young and debt-burdened country. The taxation uncertainty must be removed.

SOME REDUCTION IN THE DEFICIT NATIONAL RAILS

Reduced From $8 to $7 Per Capita of Country's Population

From Our Own Correspondent.

OTTAWA.—The outstanding feature of Hon. Geo. P. Graham's statement on the operations of the government railways for 1922 are:

The total deficit was $60,251,845, as compared with $72,662,278, a decrease of $12,410,433. That is the per capita deficit was approximately $7, as compared with $8 in 1921.

The gross operating revenue of all roads was $234,111,090, as compared with $236,100,024; while the operating expenses were $229,917,540 as compared with $247,947,842 in 1921. The total revenue before fixed charges are added was $2,202,782, as compared with a deficit of $12,638,778.

The fixed charges were $62,454,627, as compared with $60,023,498 in 1921, being an increase of $2,431,128.

Nothing on Debentures

British holders of Grand Trunk Pacific 4-per-cent. debentures will be interested in the announcement that the G. T. P. fixed charges for 1922 were $1,428,293 less than for 1921, largely due to the fact that interest on these securities, amounting to $1,395,170, is no longer shown as a fixed charge, it not being considered a liability until earned. From this it is quite evident that the government does not intend to meet this charge. Fixed charges on the Grand Trunk increased to the extent of $1,967,791 during the year; those on the Canadian Northern by $1,891,630.

These fixed charges are a deadweight on the system that is steadily growing and from which there is no relief in sight, those on the Canadian National alone having grown from

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LOAN COMPANIES OPPOSING TAXES ON DEBENTURES

Demand of Ottawa Leave to Argue Their Case

Several matters bearing on the taxation of corporations are referred to in the 1923 report of the executive of the Dominion Mortgage and Investments Association, presented to the annual meeting this week. Attention is called to the fact that there is continuous pressure on the part of all governing bodies, Dominion, provincial and municipal, to obtain larger revenues and financial corporations are being attacked from many quarters. The matter of the taxation of exemption of bond and debenture interest by the federal authorities receives particular attention:

During the course of the year a decision was made by the Department of Justice that in the case of interest on bonds of industrial companies, interest could not be deducted as expense in determining income taxable under the War Income Tax Act. This decision has been constructed by the Commissioner of Taxation as applying to interest paid by lending institutions on debentures and debenture stock. The views of the companies interested were placed before the Commissioner of Taxation, as well as the Department of Justice. An adverse decision on the questions submitted to the Department of Justice by the Companies interested, would have serious consequences and a request has therefore been preferred that before an adverse decision is arrived at by the Department in question, an opportunity be given to this Association to personally argue the case.

During the course of the year your Executive has been requested by some of its members to initiate action with a view to substituting taxation on the net income in place of the gross income basis. The tax referred to is that imposed under the Special War Revenue Act. Your Committee prefers, of the two methods, that of the net income, but for the time being, deems it inadvisable to take action.

It is a matter of regret to the executive that no satisfactory disposition has been made of the residue of trouble arising out of the Dominion seed grain distribution in 1915. Out of liens taken amounting to $12,309,638 following the drought of 1914, there remains to be collected of principal $2,094,656, that is at the end of February, 1923. Your committee early in the year felt, as a new government was in power and as the minister of interior, the Hon. Mr. Stewart, was familiar with Western conditions, that it would be possible, by approaching him, to come to some arrangements by which the difficulty incident to the seed grain distribution would be cleaned up. At least, it was hoped that the act would be administered in the spirit in which the original agreement was made. Repeatedly the Department has been asked to:

1. Remove all liens and other liens registered subsequent to the 1st of January, 1917, from the title land where a prior mortgage is foreclosed.
2. Apportion the sums re-paying seed grain or fodder liens charged against two or more parcels of land, or release one parcel upon payment of any equitable portion of the total lien.

Gardner Clarke & Co. were awarded the Walkerville Bonds at 100.73. The issue totalled $85,181.25. There were tow issues, $50,000, 5½ per cent. debentures payable in 20 installments and $35,181.25, 5½ per cent., 10 installments.

Blue Ruin Talk Will Frighten Away British and U.S. Capital

"Canada is the one big bet of the twentieth century."

This sounds like the oratorical tub-thumping of the earlier years of the century when Canada was riding on the crest of the boom wave. Yet it is nothing of the kind. It is the considered statement of one of the world's largest bankers and it was made in conversation with a Canadian business man just the other day, when this banker indicated that he was ready to invest millions in Canadian development.

There is plenty of American capital available for investment in Canada. There is British capital, too, ready to come to Canada. Exchange is no longer a serious factor either in dealing with American or British financial markets. Yet very little British or American capital is coming to Canada at the present time. One reason is that Canada is not offerring definite specific opportunities for investment. Rather than bringing to Canada the people who will fill up the gaps in the present national superstructure and create further demands upon economic development we are drifting aimlessly, keeping out the immigrants who would come and talking more about unemployment and crop failures than about the ways of remedying the big troubles of the country—a heavy national debt. a deficit-producing railway system and an insufficiently populated area.

We are our own worst advertisers. It may be good politics for certain individuals and certain sections of Canada to parade their worries and burdens before the rest of the country and thus get relief at the expense of others, but the picture of Canada created in the minds of foreign investors by these tales of woe is a serious matter. The rest of the world does not believe that Canada is bankrupt; British and United States bankers and business men have more confidence in Canada than has been shown by many Canadians of late. Canada must keep that impression alive. We are not bankrupt; no part of Canada is bankrupt. Then we should not say so. We should avoid giving the impression that a communist spirit of discontent is growing in this country. Nothing would frighten away capital sooner than that.

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ARE STOCK PRICES NEARING PINNACLE OR DANGER POINT?

Whole List Has Shown Material Advance in Price

CAUTION NEEDED

Compared With the 1919 High Before the Market Break —Few Issues Are Materially Lower

A speculator, closing his eyes and jabbing a pin in the stock list, following the severe slump in market prices during 1920 and 1921, could hardly have helped making money. A review of the market prices shows this. Practically the whole of the list has moved steadily upward. Especially so has this been a fact of the trading of 1923. For a time there was a slight recession. Then the swing upward was resumed.

When will the pinnacle be reached? Brokers answer, when the market has discounted all the good news. By good news they mean prospects of better business, increased earnings and profits, more stabilized conditions. At the same time, it should be remembered that this discounting has been going on for some time. Some houses have not lost an opportunity to point this out. They have been constantly driving this point home. They have been telling their clients to keep their finger on the pulse of the market. It may be that this table following will be of assistance in studying the real position of the market.

In looking over this list, the last two columns of figures stand out, the low reached since the high mark at the end of 1919 and the present market quotations. In not one case is there an issue selling now at the low since 1919. In other words there has been a rise in all issues and in most cases a material rise since that low was reached. This is an evidence that practically any issue would have made a speculator money.

In checking over the list, it will be found that there are 75 issues by the high they have reached since the end of 1919 which have surpassed the mark they reached in the prior to 1919 bull movement. Of these issues, 29 are now selling higher than they were sold at the close of 1919 while ten issues are at present selling at the highest point they have reached since that date. But one issue has not been below the high of 1919—Porto Rico Railway.

Of course, there have been some outstanding money makers and vice versa. Ogilvie is one example and Riordon is the other. A holder of 10 shares of common of each issue at the end of 1919 would have had an interesting experience.

Taking the issues in groups will show tremendous losses for the paper issues. The textiles and industrial and construction groups have fairly well improved. The steel issues slumped sadly and are now showing material signs of recovery. The milling group has been really spectacular, up and down. Groups that have been hit by the exchange situation, such as concessions or utilities in foreign

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EDITORIAL

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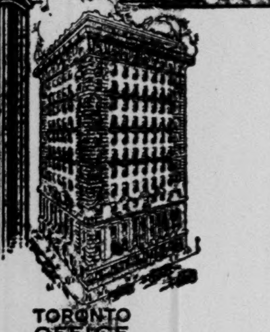

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AID NECESSARY TO DEVELOP IRON ORE OF CANADA

At Present Time Dominion is Totally Dependent on U.S.

ALL EFFORTS FAIL

Moves Made to Date Have Not Had Proper Encouragement to Drive Them Forward to Success

What is the iron ore situation in Canada?

The answer is, that notwithstanding geological knowledge and deductions assure more iron bearing rocks and a greater area of iron formation in Canada than in the United States, and notwithstanding surface explorations have established conclusive proof thereof—not a single ton of iron ore is being mined in Canada—the whole iron and steel industry of Canada, and Canada's whole domestic and foreign trade in iron and steel products, rests upon about ten million dollars worth of foreign ore, imported chiefly from the United States, and upon many million dollars worth more of iron and steel imported from the same country, and all increase of iron and steel production in Canada depends upon the same source for raw material, the market price of which to Canada is largely controlled by Canada's chief competitors in the manufactured products of such raw material.

What is to be done about such an impossible situation?

Continue a policy of drift and the role of "Micawber"?

Three Attempts Only

With the exception of three serious attempts, at the Antikokan mine, at the Helen and Magpie mines and at Moose Mountain, separated from each other by hundreds of miles, this is largely what, as Canadians, we have done.

What is the result to date of this policy?

During the last thirty years the Mesabe and Cuyuna Ranges in Minnesota have come into being. Iron mining has become established on these ranges on such mammoth foundations in plant, equipment and organization; the transportation of the ore from the mine to the boat has become so organized and such mammoth equipment has been provided therefor; extensive and far-reaching organizations have grown up, entrenched behind intermingling directorates and affiliations which so dominate the supply, price and distribution of the ore mined, that a very imposing wall has been built up during these thirty years against any beginners in the iron ore business in Canada.

Even the business of Canadian furnaces has been so founded on certain U. S. grades and blends of ore that a beginner in Canadian ore would find poor encouragement in the limited Canadian market. On such share of Canadian consumption as he could hope to secure he could not begin to create the mining equipment or organization which would enable him to compete as to mining cost with the Minnesota mines, and he would be unable to ship at a competitive cost of transportation, as on tonnage for the Canadian market alone, the transportation companies would not care to afford corresponding facilities and rates.

Two Big Problems

Suppose for instance an individual or group of individuals spent the time, effort and money to demonstrate the existence of a shipping quantity of Canadian ore in one deposit and sought to secure a purchaser or interest capital to mine and move that ore. The two questions of mining cost and cost of transportation face him. Suppose he asks the railroads to furnish him with a corresponding rate and corresponding facilities to those which can be secured at Duluth and Superior. The Canadian railroads have no such facilities—the facilities at Duluth and Superior cost millions. How can the railroads be expected to furnish such facilities without an assurance of continued tonnage on a scale to furnish sufficient continued revenue? How can this assurance be given on the portion of the limited Canadian market which may be possible or open?

If, during the last thirty years, such conditions have become established and now constitute hills of difficulty against a present attempt to create a Canadian supply, will another period of years of inaction and indifference lessen these hills of difficulty—will not the number and height of the hills on the contrary increase?

And these are not the only hills of difficulty.

If one ventures to mention the subject of iron ore he is told Canada has none worth while, that the U. S. Steel spent a million in trying to find ore and gave it up as a failure and this statement, together with some disappointments that have been met by others is regarded as settling the question for all time. In fact, so completely has this notion taken hold of everybody that it has become a sort of settled creed amongst the U. S. ore interests, the Canadian Furnace people, Canadian business men and Canadians generally, that Canada has not ore worth while.

Wherein lies the justification for this organized pessimism?

Big Interests Did Not do it

The U. S. Steel did not open up any of the Minnesota Ranges, neither did any of the big interests. Both the U. S. Steel and Pickands, Mather & Company, went into the Cuyuna Range and spent large sums and abandoned the field, and yet the Cuyuna Range has proved its value and is a heavier shipper to-day than the original Vermillion Range, and likely to continue such, even though the ore has to be found away down in the earth, with no surface indication to guide the explorer.

As an illustration of why no person has a license to make or believe any such statement, take the course followed with a single forty acres on the Mesabe Range. If the driller in putting down five or six holes across the forty acres strikes an underground deposit of taconite or iron formation, not ore, he immediately proceeds to cross-section the whole forty acres with holes comparatively close together, to find a deposit of ore in the body of taconite discovered.

There is a known range of iron formation along the P. A. D. Railway in the Fort William district, from Gunflint to the Mattawan River, a distance of over sixty miles and not a drill hole has been put down on this range, except a few in the neighborhood of Mokomin near the Mattawan where the formation is much folded and disturbed. Has any one any license to say or believe there are no mines in this range of sixty miles because shipping ore was not found as

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PEACE, THRIFT AND HARD WORK, RIGHT CURE FOR OUR ILLS

Advocacy of "Whitleyism" as Cure-All Brings Caustic Comment

In Great Britain there is considerable talk of evolving some new method of settling industrial disputes to the end that the disastrous disruptions of recent years may be avoided. It is only recently that in this connection The Industrial Disputes Act, the Lemieux Act of Canada, was cited as a successful deterrent of strikes by a speaker in the British Commons. Others have now come forward including Lord Milner and Dr. MacNamara Oldham. The latter suggests "Whitleyism" as a remedy. This has rather raised the ire of Sir Charles W. Macara, Bart., who makes some caustic remarks on the craze, for something new, something different, that seems so prevalent since the war. He says all kinds of panaceas for our ills are being put forth, except the right ones, peace and thrift and hard work. The clamour for new enquiries, commissions, etc., has been such that many are obsessed with the idea that nothing set up prior to 1914 can be ocnsidered as applying to the state of things as they stand to-day.

Sir Charles on reviewing all these schemes declares that he is unable to find in them anything that has not already been tried or suggested. For instance he says "Whitleyism" is only a pale imitation of something that has been in existence for the last 30 years. He asks what were the Brooklands Agreement, the Industrial Council of 1911, the Cotton Control Board of the last two years of the war, but organizations to promote good will and harmonious relationships between capital and labor.

Lord Milner, another British politician who has turned to journalism, has been forwarding the fact that Great Britain has no great body like the Whitley councils to settle Industrial troubles. Sir Charles in reviewing measures already available in answering Lord Milner, points to the Industrial Council of 1911 as being the one best designed to meet with success. He explains its inert by declaring "that the jealousy the politicians had of the power entrusted to business experts led to the council being hung up from 1912 onwards."

Sir Charles quotes from a letter Mr. Whitley wrote in 1918 to show that the latter did not contend that in his councils he had something new. His councils are designed to deal with minor industries as was done for the cotton and other stable industries long ago. Hence Sir Charles contends it is futile to blame the cotton and the big industries for not adopting "Whitleyism" when they had no need to do so as they had adequate machinery, before the Whitley councils came into being.

HIGH WAGES RAN UP THRESHING COST

How the Western Farmer is Directly Affected by the Cost of Labor

Report by U. S. Counsel General, J. I. Brittain, Winnipeg.

The cost of threshing the 1922 wheat crop of western Canada is estimated at approximately $57,660,000, based on a crop estimate of 384,000,000 bushels and a cost of 15 cents a bushel for threshing. In 1919 the wheat crop was estimated at 120,000,000 bushels and threshing costs averaged 10 cents a bushel, giving a total cost of $12,000,000. The increased cost for 1922 is accounted for largely by the increase of about 100 per cent. in the cost of labor. Other factors to be considered are costs of food for men employed in threshing operations, an increase of from 25 to 30 per cent. in the cost of large threshing machinery, and an increase of about 100 per cent. in the cost of lubricating oils. Fuel remains practically the same as in pre-war days, as a lower grade can be used in modern machines.

The cost of a first-class 25-horsepower outfit complete is about $6,000. A small-sized thresher, suitable for many of those farming on a moderate scale, can be purchased for about $2,600. The life of the machine depends to a considerable extent upon the manner in which it is handled. In Canada farm machinery, as a rule, is not properly housed during the winter seasons, and this acts to increase operating expenses.

WORKERS SHARE IN OWNERSHIP OF STEEL COMPANY

Shares Offered to Employees on Favorable Terms

BELOW THE MARKET

Preferred at 95 and Common at 65 With a Bonus for Those Who Continue to Hold the Stock

A practical application of the theory that workers should share in the ownership of industry is being offered by the Steel Company of Canada. Employees are offered the oportunity to acquire stock in the company on terms of easy payment. Employees who have been in the company's service since January 1, 1922, have the opportunity to subscribe for preferred or ordinary shares not exceeding the aggregate total of shares now held for this purpose, that is 2,500 shares preferred, and 2,500 shares common. In making the offer the directors express the hope that not only will an opportunity be afforded for saving on the part of employees but that the permanent investment provided will create a broader feeling of mutual interest in the success of the company.

It is pointed out that dividends at the rate of 7 per cent. have been paid on preferred shares since inception of the company in 1910. In 1916 a 4 per cent. dividend was paid on the common which was increased to 6 per cent. in 1917 and 1918, and 7 per cent. has been paid since. The common stock is offered to the employees at $65 per share compared with a market price of 78 to 79 and the preferred at $95, as compared with a market price of over par. Following is the basis on which employes may secure shares:

SUBSCRIPTIONS TO STOCK.

Employees Receiving	May subscribe for Preference or Ordinary Stock Shares
$700.00 or less	1
700.01 to $1,000.00	2
1,000.01 to 1,400.00	3
1,400.01 to 2,000.00	4
2,000.1 to 2,600.00	5
2,600.01 to 3,300.00	6
3,300.01 to 4,100.00	7
4,100.01 to 5,000.00	8
5,000.01 to 6,000.00	9
6,000.1 to (and over)	10

Employees may subscribe for either Preference or Ordinary shares, or both, but not to exceed the maximum number of shares to which they are entitled, as above mentioned.

If the total number of shares subscribed, Preference or Ordinary, exceed the number of shares available, the right is reserved to reduce any or all subscriptions in excess of one share.

Payments—Payment of subscriptions shall be in monthly instalments to be deducted from the salary or wages of the subscriber.

(a) The first deduction will be made from May, 1923, salary or wages.
(b) No instalment shall be less than $2 per share.
(c) No instalment shall exceed one quarter of any one month's salary or wages.
(d) Instalments exceeding the minimum must be in even dollars.
(e) Payments for stock must be completed within three years.
(f) Interest at 6 per cent. per annum will be charged on deferred payments, calculated from the first or fifteenth of the month following date of payment.
(g) In case a subscriber discontinues working for the Company, owing to illness or injury, for one month or more (not exceeding 120 days) monthly payments need not be made by him during such discontinuance of work.

Dividends—Until payment of the subscription has been completed, any dividends paid on stock subscribed for will be credited to the account of the subscriber as part of his payment. After payments have been completed, certificate will be issued to the subscriber, and future dividends paid thereafter will go direct to him. The stock will rank for dividends payable August 1st, 1923, and thereafter.

Cancellations—Subscriptions may be cancelled for the following reasons:

1. By request of a subscriber.
2. (a) By voluntarily leaving the service, or
   (b) Being discharged for cause, or
   (c) Failing to resume employment when requested.
3. By discontinuing payments without the consent of the Company for three consecutive months.

The cancellation of a subscription forfeits all interest and benefits, which the subscriber would have received had he continued such subscription. There will then be returned to him the full amount of cash payments made on the subscription so cancelled, with interest at 6 per cent. per annum, no credit being given him for dividends or for the special allowance referred to in section 8 and no interest being charged on deferred payments. A subscription may not be cancelled in part.

Special Benefits

Special inducements are offered to employees who retain their stock after it is fully paid up. If the employee keeps the stock and in January of each year for five years exhibits his original certificate to the treasurer of the company with proper assurance of continuous employment he will for each of the five years receive a cash payment of $5 per share on preferred stock and $2.50 per share for ordinary stock. Subscribers who may not have fully paid their subscription by January will, if their subscription is still in force, be credited with the foregoing allowance. Special arrangements are made for the protection of the interest of the shareholder in the event of his death. The subscriber may designate a beneficiary in the event of his demise.

The Proportional Basis to be Tried in Alberta

From Our Own Correspondent.

EDMONTON.—Premier Greenfield has announced in the Legislature that a new election act, embodying the proportional representation idea, will be prepared for submission to the House next year. He has also intimated that there may be a reduction in the number of members.

Considerable demand for P.R. has been made from various quarters, and the premier's statement, in fact, headed off a request by one of the Independent members for a legislative committee to inquire into the merits of the system. Proportional representation has for some time past been one of the United Farmer planks in this province.

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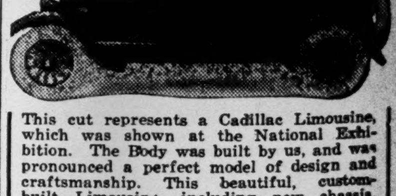

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WEST IS TURNING TO HARD WORK AS ROAD TO SUCCESS

Calamity Howlers Are Now Being Frowned Upon

DUE TO POLITICS

Majority of Farmers Working Out Their Own Problems While Political Agitators Cause Trouble

From Our Own Correspondent.

REGINA.—George Spence, M. L. A., a dirt farmer in the Monchy district, has been giving some fatherly advice to his fellow agriculturists. Mr. Spence, decrying the political activities of agrarians, to the neglect of their vocation, says that the solution of the present serious economic problems which confront farmers, lies not in going about looking for a fight, but in hard work, helpful co-operation and a certain amount of tolerance. "We must have constructive co-operation if we co-operate at all," says Mr. Spence. "What farmers require is leadership in progress, not class chieftains. Why should the farmer be at loggerheads with the retailer, implement man, banker? All have their parts to play in society; one could not get along without the other. We must build from the bed rock upwards and hard work is the one thing which will bring the farmers out on top."

Mr. Spence derisively points to the inconsistencies which obtain in the farmers' present methods of co-operation. For instance, a body of men get together and waste time and energy in order to beat some retailer out of four or five cents on a box of prunes. At the same time, millions of dollars are being wasted in haphazard methods of farming and in failure, by producers, to co-operate in the sale and distribution of their products.

Politicians to Blame

Mr. Spence, who. as may be inferred, is a successful farmer himself, has all the contempt of a successful man for those who, with similar opportunities, have proven failures. To be sure, sympathy apears thrown away for the men who howl poverty but who at the same time, spend the minimum of effort in tilling the soil and looking after their livestock. Due allowance, however, must be made for those who are responsible for the farmers' benighted condition—the leaders who preach a doctrine of pap from governments, legislative measures giving preference to the agrarian; anything, in fact, that will eliminate that objectionable phase of farm life, "work."

Whatever governments may do or politicians among the tillers of the soil say, the success or failure of those on the land will always center about that one word. It has been contended that prairie farms are far too large to be properly cultivated and cared for through the means the average farm owner has at his disposal. This may be true to some extent insofar as securing the maximum of return from the land is concerned. Of its population of—roughly 770,000—Saskatchewan has something like 600,000 in rural areas, representing 163,000 farmers (this is the latest government estimate). In 1922 there was, under crop, in summerfallow and in pasture, a little less than 30,000,000 acres. Thus, the average holdings of Saskatchewan farmers amounts to 184 acres (approximately) each, a computation which certainly does not seem to show that anyone is suffering from lack of quantity in land.

From 30,000,000 acres in 1922, Saskatchewan farmers secured a gross return of $505,318,000, or an average of $3,100 (approximately) for each individual operator, a fairly good income.

Then again, on the question of expense. The number of foods which are produced on the farm at little or no cost; foods which those who live in cities have to pay high prices for! The farmer should always have poultry, dairy products and garden vegetables. His store bill, even with a large family, should not be more than a few hundred dollars annually.

Calamity Howlers

Where does the money go and whence the loud lamenting, presumably from all prairie farmers?

The explanation is that most of the noise is emanating from political quarters. But the working farmers are just smiling to themselves at such twaddle and are carrying on, irrespective whether they are getting the average $3,100 annually, more or less.

Premier Dunning seems to be convinced that the talk of hard times among farmers is out of date. The other day in the legislature he declared it was his belief conditions had scraped bottom and from now on an upward trend would be in evidence. The statement sounds better than government pronouncements last year about this time when a moratorium was being talked of seriously.

It is estimated that Saskatchewan can produce three times as much from the same area sown to crop or sustaining livestock, as that used in 1922. That 30,000,000 acres, however, represents less than one third the available arable land in the province.

But hard work and hard work alone will render it productive. There is room for plenty of good farmers in the province. But they must be willing to do what nine-tenths of the present farming population is now doing—work.

Fifteen-thousand bale consignment of American cotton reported to have left Bremen for Russia. Russian textile plants said to have increased production to such an extent that growing yield in Turkestan insufficient to meet demand.

Lumber Company Fights Compensation Board

From Our Own Correspondent.

ST. JOHN.—The Bathurst Lumber Company, of Bathurst, operating a pulp and three saw mills and having under construction a paper mill as well as owning deep water docks at Bathurst, has brought action against the Workmen's Compensation Board of the province on the ground that the board has no right to assess the company on the basis set down in 1922. It is contended that the compensation laws are not applicable on the ground that the company all through that year paid damages for workmen who suffered injuries while in the company's employ.

This action is the outcome of a controversy in which the compensation board is endeavoring to secure $30,000 from the company. The board got a favorable ruling in the court in an action to recover this amount and this was confirmed by the supreme court. The action has aroused considerable interest. The company charges the compensation board with extravagance in operation.

TRADE IN MARCH IS STILL INCREASING

Exports to the United States Continue to Expand Despite Railroad Embargoes

From Our Own Correspondent.

OTTAWA.—While Canada's trade for February totalled $123,945,000, an increase of about 23 per cent. over that for the same month last year, the indications are that March will beat it. Exports to the United States are increasing, and only the embargoes placed by American roads on the movement of freight have prevented shipments south being even greater. The reluctance of Canadian lines to allow their cars to go to the United States for fear that they may not get them back, has also kept down freight movement.

As an indication of how Canadian trade has grown during the last decade it may be said that in February, 1923, the total trade of the country was only about $78,000,000, the exports being but $22,857,000, as compared with $57,656,000 last month. Indeed during February, 1923, there was an adverse trade balance of about $30,000,000, against less than $6,000,000 last month.

Exports of wheat during February were 7,129,000 bushels; those of flour were 779,418 barrels, making total exports of flour during the six months 6,034,000 barrels. Total exports of wheat flour and wheat in terms of bushels for the six months ending February were 186,835,000, or 65,500,000 bushels more than for the same period last year.

IRON ORE DEFICIT FACING THE WORLD

Development of Low Grade Bodies Which Abound in Dominion, One Solution

In lieu of the discussion and demand for the development of the iron ore resources of the Dominion, the following extracts from an article in The Boston News Bureau will be of interest. It is also of value to every holder of shares in steel and steel product companies. The extracts are:

"In the past two years, iron production in the United States averaged 21,703,554 tons annually, against average of 35,611,000 in five years 1915-1919 and 25,791,870 in 10 years 1905-1914. United States iron production has approximately doubled every ten years from 1825 to 1915.

"World production fell off from close to 77,000,000 tons in 1913 to around 34,700,000 in 1921, and to an average of 42,500,000 in 1921-1922.

"Sir Robert Hadfield, probably the leading authority on the subject in the world, estimates iron loss due to corrosion at around 30,000,000 tons each year.

"These facts point to the conclusion that we are facing a deficit in iron output and that over the next several years, the blast furnaces of the world will be kept busy to prevent an actual shortage and to keep up with constantly growing needs.

"World production figures are as striking as those for the United States. In 1913 total output of all countries was 76,000,000 tons. In 1920, the best postwar year, it was only 58,850,000 tons. In 1921, it fell to 34,700,000 tons and increased again in 1922 to slightly over 50,000,000 tons. For the three years 1920-1922 average world output was about 47,900,000 tons.

"If Sir Robert Hadfield's calculations are correct, the world in the last three years has produced 143,900,000 tons of iron and lost by corrosion about 90,000,000 tons, adding to its supply only about 54,000,000 tons, an average of 18,000,000 tons a year. In 1921 production and corrosion loss were about equal.

"During the past two years, the United States has made slightly over 50 per cent. of the world's iron. It follows that this country must be dependent on to a great extent to supply any world deficiency that may exist.

"Metallurgists see not only a deficit in pig iron production, but a possible failure of supplies of ore. How this ore shortage is to be met when it comes, is a question of opinion. Some authorities believe that it will be found in the development of low grade ores, of which there is a large supply. Others hold that the answer is to be found in the use of alloys which lengthen the life of steel—such as manganese, vanadium, molybdenum, tungsten, chrome, nickel, etc."

LARGER CHILD EXEMPTION

A resolution adopted by the House of Commons asks the Government to consider the expediency of amending the income tax law to increase the amount of the exemption allowed for each child from $300 to $500, and to exempt altogether the father of five children under 18 years of age who has an income of less than $5,000.

SOME DOUBT AS TO VALUE OF EMBARGO LIFTING FOR WEST

Prairie Members Seek Information at Agricultural Probe

U.S. MARKET BEST

Fordney Tariff is Blamed for the Depression in Cattle Trade of Last Couple of Years

From Our Own Correspondent.

OTTAWA.—The western members of the Commons committee enquiring into Canadian agricultural conditions are doing their utmost to find out from witnesses whether breeders of cattle in the prairie provinces are likely to benefit much from the removal of the British embargo. Cattle dealers and agents so far are noncommittal. Wait and see, they say. They admit that some benefit should result but are inclined to the view that it will be confined pretty much to cattle-raisers in the East.

The best testimony on the cattle trade has been given by S. J. McLean, of the Harris Abattoirs, who is strongly of the opinion that no matter what one's opinions generally on the tariff may be, the American market is the one for surplus Canadian cattle. He says:

"Now the natural country to absorb the surplus of cattle from Canada is, of course, the United States. I say of course, because they are our nearest neighbor, and because they are a highly industrialized country in which there is a population of 120,000,000 people, and in which their consumption has already overtaken their cattle production. So that the United States I say, is the natural, the first natural market for the surplus cattle of Canada, and a proof of that lies in the fact that Canada has suffered so severely from the recent tariff legislation that has been enacted in the United States."

Mr. McLean contends that the chief cause of the depression in the Canadian cattle trade during the last two years has been the Fordney tariff with its duty of 30 per cent. on live cattle and of three cents a pound on dressed meat. During the five years preceding 1922 Canada had shipped an average of 200,000 cattle to the United States, but since the passage of the Fordney tariff the price secured for them across the line has been less by the extent of the duty, that is 30 per cent., which means the profit.

British Market Limited

Speaking of the probable effect of the removal of the British embargo, Mr. McLean says: "The effect of the removal of the embargo would be to enlarge the outlet for Canadian cattle in Great Britain to some extent. It is not at all clear to what the extent will be." Speaking of the British and American markets, he says:

"The United States market is a tremendously broad one, and we have access to these markets at various points. From Winnipeg we can ship to St. Paul or Chicago, or from Toronto we can ship to Buffalo or New York, and the United States has always been willing to take any kind of cattle that we had as a surplus at a price. For the inferior grades of cattle the prices have never been high, but they have been willing to take anything. Great Britain will only take cattle of the best quality and she will only take them on her own terms."

Mr. McLean is also decidedly of the opinion that it would not be profitable for Canada to enter upon the chilled beef export trade.

Speaking of a policy for the cattle trade generally, he says:

"It seems to me that the first item of policy in regard to the cattle industry of Canada should be to secure, if possible, free admission into the United States. I think everybody who has considered this topic will agree with that. No matter what views may be held with regard to the tariff generally, and how a general tariff may affect industry and the development of the country, I do not think that anyone will disagree with that, that it is a great advantage to the cattle industry of this country to have free access to the United States."

If Canada cannot get into the American market on the old terms then she will have to do what she can in the British market.

Privy Council Will Say if Civil Salaries Taxable

From Our Own Correspondent.

MONTREAL.—When the Privy Council meets in June it will have a number of important Canadian cases to decide. The Labrador boundaries dispute and the allowance of the Reciprocal Insurance Act of the Ontario government are two important matters slated for hearing. A third case will decide the right of the Federal government to collect income tax on employees of provincial governments and on the salaries of ministers of the Crown. The test case is an outcome of proceedings entered against provincial cabinet ministers to collect income dues on their salaries. Hon. J. E. Caron, Minister of Agriculture, consented to make a test case. The hearing came first before local courts and then was transferred to the Supreme Court, which rendered a formal judgment and allowed immediately the case to come before the Privy Council.

Deep interest is manifested in the case. There have been no dues collected in the meantime on such salaries and the Federal government is anxious to get a decision from the highest tribunal in the Empire.

PORTO RICO RAILWAYS

Earnings of the Porto Rico Railways Co., for the month of January totalled $112,350, as compared with $110,145 for January, 1922, an increase of $2,205, or 2 per cent. Net earnings at $47,095 compare with $49,105, a decline of $2,009, or 4.09 per cent.

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February 28, 1923

Head Office MONTREAL

LIABILITIES.	
Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,007,514.19
Dividend No. 142, payable 1st March, 1923	612,000.00
Notes in Circulation	25,626,404.54
Deposits	395,167,260.95
Due to other banks	17,392,837.42
Bills Payable (Acceptances by London Branch)	7,733,080.84
Acceptances under Letters of Credit	3,556,055.40
	$491,895,153.34
ASSETS.	
Cash on Hand and in Banks	$109,715,277.66
Deposit in the Central Gold Reserves	7,000,000.00
Government and Municipal Securities	34,893,290.90
Railway and other Bonds, Debentures and Stocks	13,396,728.59
Call Loans in Canada	13,840,214.94
Call Loans elsewhere than in Canada	38,318,958.03
	$217,164,470.12
Loans and Discounts	256,467,975.90
Liabilities of Customers under Letters of Credit as per contra	3,556,055.40
Bank Premises	12,031,633.64
Real Estate other than Bank Premises	1,506,355.23
Mortgages on Real Estate sold by the Bank	148,663.05
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$491,895,153.34

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See the North Country Gold Mining Picture at Pantages This Week

Surplus Funds

The sound policy for the investment of surplus funds is to place money as it becomes available in the best securities obtainable at the current rate for investment. This is the policy pursued by banks, insurance companies and corporations building up a reserve. It is equally applicable to the private investor.

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News and Views for Investors

EASTERN ENGINEERING

Eastern Engineering stock has been dealt in on the unlisted section of Montreal Exchange this week. This concern is promoting the Attendu engine, a new creation which it is said will revolutionize all light engine usage, especially to that of automobiles.

EARNINGS SLIGHTLY BETTER

West India Electric receipts in 1922 exceeded 1921 slightly, the gross being $541,032 as compared with $536,866. Operating expense and bond interest reduced this to a net of $97,364. Investment earnings totalled $16,567. Dividends and taxes deducted and with the balance added to surplus account, the latter stands at $802,606.

BIRD AND SONS

Shareholders of Bird & Sons were told that the past year's operations were highly satisfactory and that the financial position of the company is highly satisfactory. Assets are $454,796 and current liabilities $120,248. The net profits for 1922 were shown to be $82,479.62, after depreciation and all charges had been deducted. This indicates an increase of $13,858.75 over the figures for the previous year.

AMERICAN SALES BOOK

Shareholders of the American Sales Book were given the intimation that the holders of common stock stood a good chance of getting $3 per share in dividends this year, dependent, of course, on the continuance of the present prosperous condition of the company's business. This action would put the common, which is a $20 par value stock, on a 15 per cent. basis, and at the current market price of $40, would mean a 7½ per cent yield.

ABITIBI'S POSITION

That there is lots of power available in the north without linking the Abitibi supply to give it to the Hollinger, is the contention of the Broke Hustler of Iroquois Falls, a publication owned by the company. The article says that the Abitibi Company has not the slightest objection to Hollinger getting power. They would like to see Hollinger get all the power it wants, the same as every industry in the north, but there is lots of power to be had without cutting the production of the Abitibi mill."

ALGOMA STEEL

There was a fairly good advance in Algoma Steel issues following a sharp upturn in the parent Co. issues in the U. S. The Lake Superior Corporation. Rumors that one of the leading U. S. Steel companies are negotiating for the purchase of the Steel plant persist. The company is now very busy and is said to be producing about 15,000 tons of pig iron monthly. This is to be increased later. Steel rail orders are also heavy.

LORRAINE CONSOLIDATED

Reports have been given out in regard to the sale of Lorraine Consolidated which is situated next to the Keeley Mining Corporation. It is stated that 35 cents was being considered for control. Less than a month ago active trading was resumed in this issue after a long absence from the list. The first sale was at 5 cents, when 7 and then rose rapidly to 23 and 24, where it hesitated and then moved on to 32. Sales have been heavy at that price.

LOEW'S MONTREAL

Arrangements have been made whereby the Famous Players Canadian Corporation will undertake the management of Loew's Montreal theatre. There has been keen competition between a number of threats within a very short distance of each other in Montreal and co-ordination of effort between the Loew's and the Famous Players' theatres will bring about better conditions, it is hoped. Shareholders of Loew's Montreal will be asked to confirm the arrangement at a meeting to be held soon.

D. U. R. ARBITRATION

The arbitration into the Detroit United Railway case involving the price the company shall pay the city for the use of its streets, $950,000 demands the city, $225,000 offers the company, have concluded hearing evidence. The decision should come out soon. The disagreement is based on the basis that should be used to figure damage done to city tracks by interurban passenger and freight cars. The city of Detroit estimates damage at 35 cents on each ton mile, while the D.U.R. placed damage at seven and a half cents on each car mile. The arbitrators will probably require two weeks to consider evidence and then spend another week or so in conference with counsel.

CANADIAN GENERAL ELECTRIC

Though the report of the Canadian General Electric for 1922 was not encouraging, there are two encouraging facts. The company has large orders on hand and the working capital position has improved, current assets at $10,731,601, comparing with current liabilities of $2,567,817. In 1921 the ratio current assets was $14,237,353, and current account and bills payable $8,380,321. During the year the company floated $5,000,000 of debentures for the liquidation of bank indebtedness, and for other purposes. This accounts in part for the reduction in the bills payable accounts.

MANY MINING ISSUES

The past week saw the heaviest trading on record in the mining list. The Standard set up a new record and on the Toronto Exchange the regular list was in a measure neglected for the mines. There were two million share days. Official records show that during the week 4,623,716 shares of stock changed hands. During this period the million share mark was passed on two different days, Thursday and Friday but the latter, with a total of 1,298,865 shares of stock, constitutes a record, so far as is known, even when regard is had to the very active trading which occurred during the Cobalt boom of fifteen years ago. To-day's trading as compared with the olden days involves much more money as the ruling price of most issues is much higher. Perhaps the most activity traded in issue was about the cheapest, Gold Reef, which has hung around 3 cents for a couple of years, moved up to 4½.

FORD MOTORS

Ford of Canada took quite a flurry during the past week when the first sales of the year were recorded. A new high 463 was recorded while the last price recorded, the day after Christmas, was at 395. When the stock was issued in 1920 it sold around 380. In the year following it ranged from 260 to 340 and last year 283 to 425. Last week the opening was 447 with 28 shares sold, then 2 at 450 and 2 at 463. The recent rise is taken to discount the Ford earnings when the present expansion plans are complete. Recently there was quite a flurry in the Canadian stock in the U. S. It is said that many small investors appear to have the idea that Ford of Canada will be a second Ford Motor Co. of Detroit. The Canadian Company produced 5,758 cars in January and 6,582 in February, compared with about 2,000 and 4,000 in corresponding months of last year. At present rate 1923 turnout will reach almost 75,000 compared with 50,266 last year. While growing sales have given rise to new hopes of larger dividends this year, executives of other automobile companies in Canada declare the Dominion is too hard up to absorb the number of cars planned by Ford. It is argued that the Canadian Company, which has always sold a large portion of its product to the British possessions know its market and will dispose of many thousand cars in these markets this year. They say the Domestic Canadian market is not so important a factor as heretofore.

Mining Stock Quotations

Week Ending March 27

	High	Low	Close	Sales
Algonquin	9	8	8	5000
Apex	5	3¾	4	97500
Argonaut	76½	64	64½	95000
Atlas	13⅞	11½	12	142500
Churchill	13	——	——	4000
Baldwin	11½	10	10¾	75200
Beaver	50	48½	49	113500
Buckingham	16½	14	16	48000
Columbus	12	——	——	1000
Castle Trethewey	29¾	26¼	26¼	97000
Chambers Ferland	4	——	——	500
Chaput-Hughes	10½	8⅜	10½	20900
Coniagas	2.75	2.30	2.70	1325
Cons. Smelters	29¼	28	28	1004
Cons. West Dome	29	26¾	26¾	173000
Crown Reserve	66	51	54	227106
Davidson Ex-rights	6	5½	5½	18000
Clifton	28	24½	27	139500
Col. Kirkland	14⅞	12	14⅝	31500
Dome Mines	44.25	42.75	43.50	3511
Dom. Kirkland	3¼	3	3	9000
Foster	2	——	——	500
Gifford	1	¾	⅞	33000
Gold Reef	4⅝	2⅞	4¼	510000
Goldale	55	49½	51	18000
Hattie	38	34¼	36	132500
Hollinger	13.65	13.35	13.35	4100
Hunton	11⅝	10½	11¼	81000
Keora	14	13½	14	108000
Kerr Lake	3.60	3.50	3.60	300
Kirkland Lake	57½	54½	56	27500
La Rose	31¼	30	30½	25500
Lake Shore	3.57	3.38	3.40	15400
Lorrian	33	28	32¼	382000
KcKinley Darragh	25½	22½	23	197500
McIntyre	20.25	19.40	19.50	9170
Mining Corp.	3.50	2.67	3.48	28300
Moneta	23	15½	19½	107800
Newray	40	32	34	233000
Nipissing	6.25	6.10	6.20	1480
Ophir	3¾	3¼	3¼	40000
Peterson Lake	14¾	13½	13½	45000
Porcupine Crown	15½	14	15	16500
Porcupine Tisdale	4½	3	3⅞	20000
Preston E. Dome	15	14¾	14⅞	178000
Schumacher	29¼	29	29	27000
Skead Keora	4	——	——	1000
Teck-Hughes	1.19	1.09	1.10	152800
Thompson Krist	4	3¾	4	49500
Timiskaming	40	33½	37	44000
Trethewey	5⅝	4⅛	5	17000
Wakenda	11	10	10½	39500
Waspika	8¾	8	8¼	197500
West Tree	13⅜	11	12½	442500
Wright-Hargreaves	3.55	3.49	3.50	4100
Vipond Con.	75½	68	68	64500
Vac. Gas.	2¾	——	——	2000

ALL COMPANIES HAD HAND IN STRIKING NEW LAKES RATES

Full Details of Meeting at Which Boost Was Made Are Given

Were They Unreasonable?

This is the Contention and Will Likely be Argued at Ottawa Hearing

Full details of the famous May meeting which fixed new rates for ocean freights and which resulted in the present probe being conducted, came out at the recent Toronto hearing of the Royal Commission. The details of the meeting were given, how it came about and what was the result. The only point not thoroughly argued was whether or not the new rates were unreasonable. This point will likely be the subject of warm argument when the hearing resumes at Ottawa.

H. B. Clark, of the Matthews S. S. Co., gave out the full details of the meeting. Britton Osler, K.C., representing the Matthews Co., introduced the subject as soon as Mr. Clark was called. He said that, so far as he had been able to follow the evidence given, the situation has resolved itself into a question of a meeting in May, fixing rates, and the question of the effect of that meeting and the fixing. I rather think I am really on the fence until such time as the rates fixed are shown to be unreasonable, but I do not want to take that technical position, and I am quite ready to put Mr. Clark in and give evidence with regard to it. Mr. Clark said that the first point before the meeting was congestion at Port Colborne, which was costing vessel owners heavily by reason of delay. The solution was new rates. Later he said Mr. Todd, of Montreal, explained that the trunk lines out of Buffalo were not getting sufficient business. Clark thought it was pointed out that the grain could not all go by the water route and a committee was appointed to go to New York and explain this.

Q.—In arriving at the rate what was the chief consideration?

A.—The chief consideration, in my mind, was the congestion at Port Colborne.

Q.—How did that rate compare with the operating expenses?

A.— Well, I considered the rate would not cover our operating expenses.

Q.—In other words, it was a stop loss rate?

A.—Yes, sir.

The rate fixed was 3 cents and then in July there was another meeting and the rate increased to 3¾, this meant a jump in the through rate from 2½ to 3 cents. This was due to the jump in coal prices. No rate agreements were made after Sept. 1.

Mr. Symington, the commission counsel, intimated that the May meeting was one to prevent the lake rates going down. U. S. vessels were not as busy carrying coal and ore. After calling the attention of Clark to this, he asked:

Q.— Your purpose in meeting and agreeing on rates was in order to avoid the rates going down?

A.—No, I wouldn't say that.

Q.—You would not admit that?

A.— No.

Q.—You say that you reduced the Bay rate and increased the Colbourne rate?

A.—Yes.

Q.—Now you know that every year the Bay rate drops in May, June and July?

A.—It had not dropped at that time.

Mr. Symington, by his line of questioning, indicated that he did not take the cut in Bay rates seriously. They would have dropped anyway. They always do. He read from the evidence of Mr. Enderby: :

Q.—In Toronto what was the agreement?

A.—We discussed operating costs and business conditions generally; we figured on certain rates, and agreed that we would charge those rates while the conditions on which they were set remained the same. We further agreed that when the conditions upon which those rates were set changed, we would get together again, hold another meeting, and discuss the rates."

Q.—Is that correct?

A.—That is substantially correct as far as I remember.

EUROPE UNABLE TO BUY COSTLY FURS

The Industry in Western Canada is Depressed as a Result

From Our Own Correspondent.

EDMONTON.—The fur trade, which has always meant much to this city, and which, in fact, brought it into being, is not in a satisfactory condition at present. Depressed trade conditions in Europe, resulting in a slackened demand for the finer grades of furs, have had the effect of bringing down the prices, and the April auction sales in London are being awaited by the local trading interests with considerable anxiety. Prices are already well below those of a year ago and further declines are expected.

What makes the situation the more difficult is the fact that the buyers in the north country are working on a schedule of prices given them last fall, and it will be impossible to get word to them in the farther bounds of the Mackenzie River country until the close of the trapping season. This means that the traders stand to lose on some of the winter's catch, the prices now being paid to trappers in the north being higher in some cases than present prices in London will warrant.

Experienced fur traders here admit that the industry is even more of a gamble under present conditions than is ordinarily the case. Buying and selling are being carried on more or less in the dark, and the speculative element is very marked. There is considerable local trading in small parcels, and the independent traders at work in the near-north are in excess of the usual number. More white trappers are also in the field.

Company Leases Tank Cars to Canadian Salt

From Our Own Correspondent.

MONTREAL.—Something unique in Canadian bond issues is offered by the Royal Securities Corporation, consisting of $100,000 of 6 per cent. equipment trust notes of the Canadian Salt Equipment Company. This company will own 25 liquid chlorine tank cars of a value of $130,000 which will be leased to the Canadian Salt Company for the ten years that the bonds have to run and at a rental sufficient to meet bond charges.

The maximum amount required in any year for payment of interest and maturing principal is $16,000. Rentals payable by the Canadian Salt Company are an operating charge ranking before fixed charges. Profits of the latter company in 1922 were $284,916 before charges.

KEELEY AND MINING CORPN. ARE GETTING RICH SILVER ORE

Wonder Developments are Under Way in South Lorraine Area

The rich ore which the Mining Corporation is taking out of its Lorraine property was described by Pres. J. P. Watson to the shareholders at the annual meeting. The Wards vein, which is doing so well for the Keeley, has been traced for over a mile on the corporation's holdings. Ore from 3,000 to 10,000 ounces has already been taken from a portion of the vein opened up. The Frontier property is producing excellent ore, while one shoot on the Crompton returned the corporation enough to pay for the property. Ore so far mined and in sight will pay for the entire outlay on the properties, nearly 500 acres, and this includes the aggregate purchase price.

Additional financing is to be carried out by the Good Fish Mines in North Kirkland. Encouraging results have been encountered on the property.

The Keeley mine had a good year in 1922, according to the report of Manager J. McIntosh Bell. Wonderful results were encountered on the 7th level, 480 ft., when long shoots of exceedingly rich silver were opened up. One new vein discovered is open for a length of 74 ft. and runs over 2,500 ounces over a width of 15 inches. At one point this vein ran 7,390 ounces over a width of 54 inches. During the year 769,690 ounces of silver were produced and the ore reserves stand at 36,929 tons, containing 1,639,234 ounces and 330,713 lbs. of cobalt, as compared with 30,286 tons, 855,000 ounces of silver and 305,800 lbs. of cobalt.

A customs mill is to be erected in Gowganda and this should result in a considerable new activity. There are several small operations in the area that could produce considerable milling ore. The Miller Lake-O'Brien in 1922 showed quite a decline in production. The Castle is a comer and should soon be producing.

Wright-Hargreaves' April dividend will take the disbursements of that property past the half-million mark to $549,500. It started milling in 1921, paid $412,000 in 1922 and in January of this year paid $68,750.

The McEnaney in Porcupine is being developed. A large amount of work has been done from time to time on this property. A public offering of stock is to be made shortly.

The Noranda Mines will diamond drill their properties in Gauthier Tp., Kirkland Lake. The claims are covered by a heavy over-burden, preventing the usual surface work.

The Northland in Gauthier has its shaft down 30 ft. Recent sampling gives a value of $8 over a good width.

The McIntyre will continue its exploration of the McIntyre veteran claim, Porcupine. An extension of the option has been secured.

The Night Hawk Peninsula has started the sinking of its main operating shaft and also on the mill. It is expected that the mine will be going full swing by November. A contract for power has been made with the Great Northern Power Co., and $50,000 cash paid towards a transmission line. This power company will supply the Canadian Matachewan and many Gowganda and Porcupine companies as well.

Mortgages Are Being Burdened With Taxes

The executive committee of the Dominion Mortgage and Investments' Association reports that it has had brought to its attention on several occasions that in the Western provinces it is becoming almost customary to leave the payment of municipal taxes to the mortgagee. How to arrest this tendency is a problem of some difficulty. Perhaps the most striking illustration of the growth of payment of taxes by the mortgagee is given in a sessional paper, placed before the Saskatchewan legislature, in which it is shown that the advance for taxes by the Saskatchewan Farm Loan Board amounted to $310,846. There is a net outstanding amount paid of these taxes as at December 31st, 1922, of $159,439. This one instance is sufficient to show what is being done by mortgagees generally, in the way of advances for taxes, owing by borrowers. It may be worth noting in this respect that the advances for seed grain made by the Saskatchewan Farm Loan Board were only about one half the amount of that of the advance in taxes.

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LLOYD'S BANK MAY BUY AN INTEREST IN CANADIAN BANK

(Continued from Page 1)

were purchased from the treasury of the bank a large amount of new capital would be provided that could be used to good and profitable advantage. And in addition, the Canadian banks would get a close working connection with one of the largest banks in the world and one that has an excellent record.

It will be recalled that a few years ago the London County and Westminster Bank of England, purchased 10,000 share, of stock in the Royal Bank of Canada. The Royal Bank had previously been acting as correspondent for the British bank and vice versa and the Royal did not require the additional capital but the transaction cemented a relationship that was only binding to a certain degree before.

It is possible that a portion of the shares that would be transferred in the present deal would not represent new capital for the Canadian bank. Some time ago it made an issue of new stock that was never thoroughly absorbed and interests close to the bank have prevented this stock being thrown on the market. Some of the present floating supply of the stock of the bank might be taken up in the deal.

Victoria is Through With Single Tax Idea

Victoria is another city which has found that the single tax theory does not work out with all the benefits which are claimed for it by its advocates. The whole of the business section has been re-assessed and attention is now being given to the reassessment of the remainder. An assessment of 50 per cent. is being considered for improvements to bring Victoria into line with Vancouver and other western cities. Victoria found difficulty in making the land owners pay the full cost for fire protection, scavenger service and the other incidentals of municipal government while the owner of the improvements got all the benefit.

MONETA

Moneta Gold Stock took a sudden spurt to 21c on the strength of a report that a British interest was purchasing control. This property adjoins the Hollinger gold mine on the west and is in quite a strategical position. D. M. Steindler, New York owned control. It is known that a group of brokers have been trying to purchase this stock.

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain 7% pfd.	91	93
Do., com.	104½	112
Belding Paul, pfd.	89	93
Canada Mortgage	66½	..
Can. Westinghouse, com.	125	..
Can. Machinery, pfd.	35	40
Can. Marconi Wireless	2.25	2.75
Cockshutt Plow, 7% pfd	40	42
Can. Oil Companies, pfd.	96	..
Do., com	51	55
Dom. Power & Trans. pfd.	90	..
Do., com.	37	41
Dunlop Tire, 7% pfd.	82	..
Dom. Linens, pfd.	73	76
Eastern Theatres 7% pfd.	68	..
Do., com.	6½	7½
Eng. Elect., pfd. 40% com.	70	78
Excelsior Life	31½	..
Farmers' Dairy	50	..
Fam. Play. 7% p. 50% com.	79	..
Gunns Ltd., 6% pfd.	34	38
Great West Life	214	..
Inter. Milling Co., pfd.	93	..
King Ed. Con., pfd. 30% c.	94	98
K.&S. Tire 7% pfd. 25% c.	36	40
La Paz Oil	..	50
Loew's Toronto, pfd.	61	63
Do. com.	39	43
Loew's London, pfd.	5¼	6
Do., com.	1¾	2½
Loew's Buffalo, pfd.	46	51
Do., com.	1.25	1.75
Massey-Harris Co.	47	50
Murray Kay Co., pfd.	..	42
Manufacturers' Life 20%	48	..
Mount Royal Hotel, com.	41	44
Milton Pressed Brick, com.	37	..
National Bank, pfd.	55	58
Do., com.	12	14
National Life $25 paid	50¼	....
Pantages, Hamilton 7% pfd	..	55
Do., com.	..	3
Robertson P. L. Co.	25	35
Rolph Clark Stone, com.	15	..
Simpson, Robt. 6%, pfd.	89	91
Sterling Coal, com.	24	..
Sovereign Life	18	..
Sun Life Assurance	140	..
Toronto Brick Co., pfd.	73	..
Trusts & Guarantee	75	80
Tiger Tire Units (1 pfd. 2 com.)	20	30
Western Grocers, 7% pfd.	58	62
Whalen P. & P, Co., pfd.	..	21
Western Assurance	7.00	
Northern Can. Power	45	..
London Loan	46	51
Abbey Salts	26	..
Brit. Amer. Assur.	6	7
Lambton Golf Club	425	475
Mercantile Trust	98	..
National Steel Car	16	17
North star Oil, com	2	2½
Do., pfd.	3.55	3.60
Page Hersey Tubes c.	85	88
Pressed Metals	40	40½
Cosgraves Breweries	..	6
English Elec. com.	22	24
Imperial Oil	118	122
Brand.-Henderson, pref.	90	95
Do., com.	38	42
Can. Conn. Cotton, pref.	87	88½
Dryden Paper	18¾	19
Eastern Engineering	20	21
Frontenac Breweries	..	50
Industrial Alcohol	11¾	12¼
Manitoba Power, com.	23	23½
Provincial Bank	120	120½

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DULUTH-SUPERIOR

Passenger revenue of the Duluth-Superior Traction Company for the third week of March amounting to $37,774 compared with $33,542 for the corresponding period in 1922, an increase of $4,232 or 2.5 per cent.

PORTO RICO RAILWAYS

The Porto Rico Railways Company reports gross earnings for the month of January amounting to $112,350 as compared with $110,145 for the same month in 1922, an increase of $2,205 or 2 per cent. Net earnings for the month at $47,095, showed a decline of $2,009 or 4.09 per cent.

TWIN CITY

The net income of the Twin City Rapid Transit Company for the month of February amounted to $141,765, or an increase of $49,102 over the same month in 1922. Operating income at $216,594 compared with $173,406, and gross at $226,084 compared with $177,039 a year ago.

RAILROAD EARNINGS

The Canadian National reports gross earnings for the third week of March amounting to $1,969,427 as compared with $2,236,866 for the corresponding period in 1922, a decrease of $267,439.

Earnings of the Canadian Pacific for the week ending March 21, amounting to $2,886,000, showed a decrease of $211,000.

The Grand Trunk Railway System reports traffic receipts for the week ending March 21, at $2,222,865.

MATTHEWS S. S. CO. LOST MONEY, SAYS COMPANY OFFICIAL

Evidence Before Lake Rates Committee Causes Quite a Stir

Contradicts Prospectus

When Attention is Called to Discrepancy Reply is They Were "Selling Bonds"

Quite a little stir was caused at the Toronto hearing of the Royal Commission into lake freight rates when an official of the Matthews Steamship Company contradicted statements of earnings made in August last in connection with the launching of a bond issue of the company.

The prospectus of the issue, containing a letter of the president, said that earnings of the company for some years previous had been five times the amount of the bond issue. The 1922 earnings up to that date, Aug. 20, indicated that the earnings for the current year would be in excess of that.

H. B. Clark, secretary-treasurer of the company, said that up to September the company lost money in 1922 and then made only a cent a bushel on grain carrying for the balance of the season.

H. J. Symington, K. C., counsel of the commission, presented a copy of the prospectus containing the letter of the president, and the verbatim examination on this point follows:

MR. SYMINGTON: Then I notice that these bonds which were issued last year against the company, are repayable one-tenth per year and retired in ten years. A.—Yes.

Q.—And that is done out of earnings? A.—I don't know whether it would be done out of earnings or not, it all depends.

Q.—I call your attention to Mr. Matthew's statement on the subject. "The average annual net earnings derived from operations, after depreciation and taxes for the five years ending January 21st. 1922, amounted to almost five times the total interest charges on the bonds now outstanding, including the present issue. Preliminary figures for the first half of 1922 indicate that the earnings for this year will be considerably in excess of the above proportion." Did he consult you about that?

A.—Well, I suppose he was selling bonds. He did not consult me on that at all.

Q.—On August 22nd. he stated to the public who were going to buy his bonds that the preliminary figures for the first half of the year 1922 indicate that the earnings for the year will be considerably in excess of the above proportion, is that so?

A.—To be perfectly frank with you, I am not very familiar with that department. We do that through our accounting department, and Mr. Matthews, I imagine would work direct with Mr. Creighton.

On the direct question of 1922 profits, Mr. Clark's evidence was given in a discussion of rates and fuel cost. New rates had been put in force early in the season.

Q.—How did you find those rates were coming out up to the last of September, as a matter of profit or loss?

A.—We lost money on them.

Mr. Symington also filed with the commission a prospectus of the Great Lakes Steamship Co. which, in the middle of last year, also placed a bond issue. The total was $1,000,000. Mr. Symington did not ask as to the earnings of this company but he did ask that the auditors' report for 1920-21-22 be put in. Robt. E. Burns, auditor for the Great Lakes Transportation Co., was asked some questions about them when the prospectus was placed on the records.

Q.—These boats, and the bonds covering them, are all issued retirable, so much each year, and that is payable out of earnings each year? A.—The retirement?

Q.—Yes. A.—No sir.

Q.—Has not that been your practice?

A.—You would have to make the money or you cannot pay the bonds.

Q.—Quite true, and you retire these bonds over a series of ten years payable so much a year, so that at the end of ten years that portion of the cost of the ship is removed?

A.—But it is not charged up as a deduction from profits. The payment of the principal of the bonds is not charged up as a deduction from profits.

Q.—You are familiar with this document, I suppose, as auditor of the company? A.—I have seen it before. I am not responsible for it.

Q.—Looking at Mr. Playfair's letter to the bond company. In addition to its fixed assets the company holds valuable investments acquired with the proceeds of past earnings. What did he mean by that?

A.—The earnings, instead of being distributed to the shareholders in the form of dividends, are invested in other assets than boats, and in additional boats.

Q.—And I notice that for the past five years, that is, prior to 1922, the earnings from the operations alone, eliminating other sources of revenue, have been over five times the interest charged on this issue. I presume that is correct, if Mr. Playfair says so?

A.—Yes, I have not considered that in detail.

Q.—You have not checked that up?
A.—No.

More will probably be heard of this matter when the argument comes up before the commission at Ottawa on April 3.

BARCELONA TRACTION

The February earnings statement of the Barcelona Traction, Light and Power Company, shows gross amounting to 4.495.111 pesetas compared with 3.417.663 for the same month in 1922, an increase of 1.077.448. The operating expenses show considerable increase owing to the continued drought, necessitating the operation of the steam plants, and stood at 2.541.455 pesetas as against 1.074.123. Net at 1.953.656 shows a reduction of 389.884. The aggregate gross for the first two months of the year at 9.350,575 pesetas shows an increase of 1,858,418, while net at 4,863,351, shows a decline of 680,944.

STOCK MOVEMENTS OF THE WEEK

Week Ending March 27, 1923

BANKS—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	200	198	199	198	199	25
Dominion	12+1	200	199	200	199	199	65
Hamilton	12	170	168	170	168	169	102
Imperial	12	196	194	194	193	194	70
Molsons	12	—	175	176	172	176	32
Montreal	12	237	234	237	235½	236	208
Nova Scotia	16	—	262	264	263	263	40
Royal	12	—	216	217	216	217	247
Standard	14	—	211½	212	211½	212	7
Toronto	12	—	192	192½	192⅛	192½	26
Union	10	137	136	137	136	136	405
Industrials, Utilities, Etc.—							
Abitibi Pulp & Paper Co.	4	69	68½	72	68½	69	4161
American Salesbook, com.	8	39	36	40½	38	39	105
Do., pref.	7	93	92	93	92	92	102
Asbestos Corporation, com.	6	71¼	70½	72½	70½	70½	240
Do., pref.	7	—	89½	89½	89	89½	360
Atlantic Sugar, com.	—	27	25	26	25	25	400
Do., pref.	—	—	45	47	47	47	25
Barcelona Traction	—	16½	16¼	16½	16¼	16¼	1070
Bell Telephone	8	120½	120	122½	120	120¼	804
Brazilian Traction, com.	4	49½	49¼	51½	49	49⅜	6290
B. C. Fishing	—	19	—	19½	18¾	18¾	30
British Empire Steel, com.	—	8	7¾	8½	7½	8	1003
Do., 1st pref.	7	70	69½	70	70	70	421
Do., 2nd pref.	—	24	23¾	25	24	24	1204
Brompton Pulp, com.	—	40½	40	42¼	40	40¾	3614
Burt, F. N., com.	10	—	140	140	136	140	212
Bird & Son, pref.	7	—	92½	93	93	93	5
Canada Bread, com.	—	63½	63	65¼	63	63	315
Do., pref.	7	94½	93½	94¼	94	94	75
Canada Car & Foundry, com.	—	34	31	32	31	31	135
Do., pref.	—	77	75	76½	75½	75½	235
Canada Cement, com.	6	86	85	87½	85½	86	713
Do., pref.	7	—	103	104½	103½	103½	74
Canada Steamships, com.	—	18¼	17½	18	17¾	17¾	105
Do., pref.	—	51¼	50½	52	51	51	1017
Canadian Converters	7	98½	98	99⅜	97¾	98	1297
Canadian Cottons, com.	8	133	132¾	134	132½	133	405
Do., pref.	6	—	89	91	91	91	15
Can. Foundries & Forgings, com.	—	—	35	35	35	35	55
Can. General Electric, com.	6	86	85½	86½	85½	85¾	852
Crow's Nest Coal	6	50	48½	48½	48½	48½	20
Canadian Locomotive, com.	4	75½	74	75	74	74	15
Do., pref.	7	95½	94½	95	94½	95	95
Canadian Pacific Railway	10	151½	150½	154½	150	150½	249
Canadian Salt	8	—	110	110	110	110	2
Can. Woollens, com.	—	18¼	—	18¼	18	18	65
Do., pref.	—	—	61	61	61	61	10
City Dairy, com.	10	140	137	140	140	140	5
Do., pref.	7	—	102	102¼	100⅜	102¼	30
Consumers Gas.	10	—	154	155	151½	155	266
Do., allotment	—	—	—	16	15¼	16	108
Detroit United Railway	6	79	78¼	78½	76½	77	766
Dominion Bridge	4	—	72½	74	74	74	40
Dominion Canners, com.	—	31	—	32	31	31	160
Do., pref.	7	86	—	88	86	86	68
Dominion Glass, com.	7	97	96	97⅞	96	96	90
Dominion Telegraph	6	—	45	45½	45½	45½	5
Dominion Textile, com.	12	71	70¾	71	70	70¾	2411
Do., pref.	7	—	108½	110	109	109	4
Dominion Iron, pref.	7	—	75	76	76	76	50
Cuban Can. Sugar, com.	—	12½	—	13½	13	13	52
Do., pref.	—	44	42½	46	43	43	270
Dominion Steel Corporation, pref.	6	81½	—	82⅜	81½	81½	135
Duluth Superior	—	35	34½	36	34	34	215
Ford Motor Car	15	—	460	460	447	460	6
Goodyear Tire, pref.	7	95	93	94	93	93½	287
Howard Smith Paper, com.	6	82⅛	82	83½	82	82	655
Do., pref.	8	—	106	107½	107	107	116
Illinois Traction, com.	—	45	42	42	40½	42	49
Do., pref.	6	82½	—	82½	82	82	118
Interprovincial Brick, com.	6	70	65	67	65	67	75
Kaministiquia Power	8	122	120	122	119	122	15
Lake of Woods Milling, com.	12	—	180	182	180	180	155
Do., pref.	7	115	—	115	115	115	76
Laurentide Paper	6	92¾	92	95¼	91	92	1259
Lyall Construction	—	—	40	42	40	40	25
Macdonald, A., com.	—	—	8	8	8	8	35
Mackay, com.	4	116	115½	116¾	115½	116	312
Do., pref.	4	69	68	69	68	68½	85
Maple Leaf Milling, com.	8	123	118	123	123	123	5
Do., pref.	7	—	102	102	101	102	163
Monarch Knitting, pref.	7	—	83	82	82	82	15
Montreal Light, Heat, Cons.	6	114⅞	114¾	115	114⅞	114⅞	1019
Do., old stock	8	—	—	116½	116½	116½	1
Montreal Trams	10	150	—	150	150	150	4
National Breweries, com.	4	50¾	50½	52½	50½	50½	1517
Do., pref.	7	91	—	91	91	91	5
Ogilvie Flour, com.	12	327⅛	327	330	326	327	69
Ontario Steel Products, com.	—	47	46	46	39¾	46	886
Do., pref.	7	—	86	87	87	87	15
Ottawa L. H. & Power	6	—	87	87½	86½	87	15
Pacific Burt, com.	6	100	99	100	99	100	65
Do., pref.	7	—	105	105	105	105	21
Penmans, com.	8	150	—	145½	145½	145½	25
Port Hope Sanitary, pref.	7	91½	90½	91	90	91	75
Porto Rico Railways, com.	—	28	25½	25	25	25	50
Price Brothers	2	44⅜	44¼	45	44¼	44¼	502
Provincial Paper, com.	6	92	—	92	92	92	145
Do., pref.	7	98	97	98	97	97	149
Quebec Railway	—	—	22	22¾	21½	21½	590
Riordon Pulp, com.	—	8	6	9	7	7¼	495
Rogers, William, com.	—	71	—	72	72	72	5
Do., pref.	7	95	90	95	95	95	60
Russell Motor, com.	—	—	35	36	36	36	25
Do., pref.	7	75	70	75	75	75	35
Shawinigan	7	116¾	116	116¾	116	116¼	288
Sherwin-Williams, com.	6	—	92	91	91	91	15
Spanish River Pulp, com.	7	97	95	97½	95	96	1405
Do., pref.	7	107	105	105¾	103½	104	1017
Steel of Canada, com.	7	77¼	76¾	79¾	76	77	2884
Do., pref.	7	—	100½	102	101¼	101¼	89
St. Lawerence Flour, com.	6	80	78	78	78	78	25
Toronto Railway	—	86	85	86¼	85	85	321
Tuckett Tobacco, com.	4	56	53	56	56	56	10
Twin City, com.	4	64	63½	65⅛	64	64	1028
Wayagamack Pulp	—	60	—	58	58	58	20
Winnipeg Electric, com.	—	40½	40	40⅞	39¾	40	492
Do., pref.	7	88	85	86¼	85	86	489
Woods Mfg., com.	8	77½	—	78	78	78	25
Canada Landed	10+1	82	79	81	81	81	40
Can. Permanent	12	191	189	190	190	190	14
Col. Investment	6	8¼	8	8	8	8	7
Huron & Erie, 20% pref.	—	—	21	21¼	21¼	21¼	25

New Issue

$3,000,000

Bay Sulphite Company, Limited

First Mortgage Twenty-Year 6½% Sinking Fund Gold Bonds

To be dated April 2nd, 1923 **Due April 1st, 1943**

Principal and semi-annual interest (April 1st and October 1st) payable at the holder's option in Canadian gold coin at any Branch of The Royal Bank of Canada, in Canada, or in United States gold coin at the Agency of The Royal Bank of Canada, New York, or in Sterling, at The Royal Bank of Canada, London, England, at the fixed rate of $4.86 2-3 to the £1 Sterling. Coupon Bonds in denominations of $1,000 and $500 registerable as to principal only, or fully registered Bonds in denominations of $1,000, or any multiples thereof. Coupon Bonds and fully registered Bonds of $1,000 denominations interchangeable. Redeemable as a whole or in part at the Company's option on any interest date on thirty days' notice, at 105 and accrued interest, less ¼ of 1% for each year, or part of a year, of the expired term of the Bonds, but in no case at less than 102 and accrued interest. Montreal Trust Company—Trustee.

The Trust Deed will provide for an annual cumulative Sinking Fund commencing July 1st, 1924, which, it is estimated, will redeem the entire issue of these Bonds at or before maturity.

The Company

Bay Sulphite Company, Limited, is one of the largest and lowest-cost producers in Canada of high-grade sulphite pulp. Organized at the suggestion of the British Government, the Company commenced operations in 1918 and has demonstrated its earning-power in the face of generally depressed trade conditions. The Company operates two modern mills, one at Port Alfred, P.Q., on the Saguenay River, and the other on the north shore of Chaleur Bay, Gaspé Peninsula, with a combined capacity of 70,000 long tons sulphite pulp per annum.

The Company's entire output is sold under ten-year contracts to responsible British and French paper interests.

Earnings

Average annual net earnings, available for payment of bond interest, for four years ended December 31st, 1919-1922, were $559,071—nearly three times interest requirements on these Bonds.

The contracts for sale of its output are guaranteed by Becker and Company, London, England, which insures the Company, regardless of market conditions, annual net earnings, after taxes, leases, maintenance, repairs, and depreciation, and available for Bond interest, of $800,000 or over four times interest on these Bonds.

Timber Areas

The Company, in its own right or through its subsidiary, owns 50,000 acres freehold and 996 square miles leasehold timber limits in the Province of Quebec, estimated to contain 6,000,000 cords pulpwood. In addition, the Company holds valuable private leases and contracts for pulpwood. Wood supply is sufficient for forty years' operation of both mills at present capacity, or twice the term of these Bonds.

Security for Bonds

Value of Company's fixed assets pledged under this mortgage	$6,275,896
Equity in fixed assets of subsidiary, of which entire capital stock is pledged under this mortgage	2,628,026
Net current assets, after all current liabilities	1,371,725
Total assets over three times bond issue	$10,275,647

Bonds will be secured by specific first mortgage and charge on all the Company's properties, now owned or hereafter acquired, on all the capital stock of its subsidiary, and by a floating charge on all other assets, present and future.

We offer this issue of Bonds, if, as and when issued and received by us, and subject to legality, at:

Price: 97.75 and Interest, Yielding over 6.70%

Wood, Gundy & Company
Toronto

Newman, Sweezey & Co. Limited
Montreal

Hanson Bros.
Montreal

Aemilius Jarvis & Co. Limited
Toronto

The Statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Protect Your Valuables

Where are your valuables? Have you overlooked providing for the safety of your insurance policies, bonds, deeds and other important papers?

A Safety Deposit Box is inexpensive to rent, and affords you the best protection.

Ask at this Bank for particulars.

IMPERIAL BANK OF CANADA

OVER 200 BRANCHES IN DOMINION OF CANADA.

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

MANUFACTURERS

We are now ready to quote some very attractive contract prices on coal and coke. Kindly write advising tonnage you expect to require.

Acme Coal and Coke Co. Limited.

C.P.R. BUILDING Adelaide 5562 TORONTO

The Quebec Railway, Light, Heat and Power Co., Limited

Report of the President and Directors for the Year Ending December 31st, 1922

To the Shareholders:—

Your Directors beg to submit the following report of the operations of your Company for the twelve months' period ending December 31, 1922, together with Statement of Assets and Liabilities as at that date.

FINANCIAL

The Gross Earnings from operation for the year 1922 were $2,858,606.76, being an increase over the corresponding period ending December 31st, 1921, of

$100,770.40

The operating expenses for the year were $2,010,814.62, being a decrease over the previous year's operating expenses of

$63,214.39

The Net Earnings from operation for the year were $847,792.14, or an increase over the previous year of

$163,984.79

After deducting fixed charges and tax on earnings due City of Quebec, the net income for the year amounts to $289,830.51 or an increase of $202,317.88 over the year 1921; your directors have deemed it wise to make provision for a reserve for depreciation of $182,545.99, and after setting aside this amount and a further sum of $21,183.60 for bond discount there remains a balance of $86,100.92, which has been carried forward to surplus account; from the surplus of $87,512.63 carried forward from December 31st, 1921, there has been deducted $10,364.34 for income tax on the earnings for period ending 31st December, 1921, leaving a balance of $77,148.29, which added to the surplus of $86,100.92 carried forward on this year's account and added to the amount previously at credit of surplus account there remains a total of $760,149.45 at credit of surplus account at 31st December, 1922.

From the earnings of the Company and from the sale of Treasury Bonds the Company has provided for construction expenditures of $192,083.99 during the year 1922, and has made a reduction in Sundry Loans and Current Liabilities of $333,829.25, and has also added to its current assets the sum of $135,495.89, thus improving the liquid position of the Company to the extent of

$469,325.14

In order to more clearly show the capital liabilities of the Company, the outstanding bonds of the Subsidiary Companies are shown in detail against a contra amount of 5% Consolidated Gold Bonds due 1939 held in escrow to redeem the bonds of the Subsidiary Companies.

Authority was obtained from the Federal Government during the year to change the Capital Stock of the Company as it had existed in the past, to shares having no nominal or par value; this matter is still under advisement, but has not yet been dealt with.

GENERAL

During the year the Company constructed 5,719 ft. or 1.08 track miles of new track extensions, which extensions were urgently needed; these extensions included a loop at Parent Square and a curve at Crown and Joseph Streets, which enabled the Company to materially improve its service particularly during the Exhibition and Race meeting periods.

Ten additional cars were bought and added to the rolling stock equipment during the year, which materially assisted the Company in satisfactorily handling traffic.

Considerable construction and maintenance work has been carried out during the year in the Gas Division, including the installation of additional Carburettor Water Gas Set at the Gas Works, and the laying of 9,816 lineal feet of new gas mains and 207 new services.

In August your Company, on account of economies effected in the gas operating departments, was enabled to reduce the price of gas to the citizens of Quebec from $1.75 to $1.55 per 1,000 cubic feet.

In the Power Department most satisfactory progress has been made and the Company has added 970 electric light and power customers to its system.

During the year extensive repairs have been carried out at the Montmorency and Chaudiere plants, as well as to the transmission lines and distribution systems generally.

The accounts of your Company have been duly audited and certified to by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal.

Your Directors desire to place on record their appreciation of the valuable and faithful services rendered by the Officers and Employees of the Company.

Respectfully submitted on behalf of the Directors.

E. A. ROBERT,
President.

STATEMENT OF ASSETS AND LIABILITIES AS AT 31st DECEMBER 1922.

ASSETS

Investments, Stocks, Bonds and Interest in other Corporations			$14,298,633.02
Treasury Bonds			95,934.00
5% Consolidated Gold Bonds due 1939 in escrow to redeem bonds of Subsidiary Companies			3,411,000.00
Investment Adjustment and Bond Discount, etc.			4,100,932.33
Advances to Controlled Companies			2,136,545.93
General construction, etc.			534,098.17
Cash on hand and in banks			159,100.17
Accounts and Bills Receivable			317,264.73
Stores and Supplies on hand			221,560.63
Prepaid Expenses, etc.			38,237.09
			$25,333,306.07

LIABILITIES

Capital Stock		$ 10,000,000.00	
Less: unissued		.500.00	
			$9,999,500.00
BONDS:			
5% Consolidated Gold Bonds, due 1st Dec., 1939		6,589,000.00	
Outstanding Bonds of Subsidiary Companies as follows:			
Quebec, Montreal and Charlevoix due 1st June, 1923	$2,500,000.00		
Quebec Jacques Cartier Electric Co., due 1st December, 1931	849,000.00		
Canadian Electric Light Co., due 1915	62,000.00		
		3,411,000.00	
			10,000,000.00
5% 30-year Income Bonds due 1st September, 1951			3,323,634.00
Bills Payable			382,000.00
Accounts Payable, etc.			414,668.19
Sundry Loans and Advances			61,550.00
Accrued Interest			37,310.92
Deferred and Unclaimed Interest			65,082.08
Accrued Charges			103,687.60
General Suspense and Reserves			185,723.83
Surplus			760,149.45
			$25,333,306.07

Certified Correct:
(Signed) H. G. BOSSE,
Comptroller.

Audited, Verified and Reported on.
(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Montreal, 26th February, 1923.

Approved:
(Signed) J. E. HUTCHESON,
Director.

Approved:
(Signed) K. B. THORNTON,
Director.

CANADIAN GENERAL ELECTRIC DIVIDENDS MET FROM SURPLUS

Earnings for the Past Year Materially Below 1921

OUTLOOK IS GOOD

Orders on Hand Are Said to be Large and Working Position of Concern is Excellent

Canadian General Electric net earnings for 1922 totalling $104,564 were materially below the 1921 figures of $706,092. The statement issued is far from satisfactory on the face of it. However, the outlook is bright as right now the company is going at a tremendous capacity.

Earnings before taking care of depreciation and interest charges totalled $532,791 in 1922 and $1,707,339 in 1921. Interest and exchange in 1922 cost $428,227. In 1921 this item was $599,416 with depreciation provision taking $401,830.

From 1921 the company carried forward undivided profits of $557,726, which made $662,290 available for distribution as compared with $1,484,762 in 1921. Preferred and common stock distributions absorb $841,879, so that to meet these the surplus of profit and loss had to be gone into and was reduced from $7,557,726 to $6,820,411.

The report, in touching on the lowered profits, points out that on account of depressed conditions comparatively little business was obtained until the final quarter of the period under review. The later quarter showed improvements in orders, and the first quarter of the current year has shown a marked increase in the volume of orders received. The company apparently is entering upon a period of much greater activity. Nothing was reserved for depreciation, because of the lean year. It has been the custom of the company, however, to make generous allowances for depreciation during prosperous periods—more than was actually necessary. Depreciation account now stands at $5,164,923.

The balance sheet shows assets at $32,836,395, as compared with $34,614,834. Capital assets at $20,851,338 compare with $20,377,480. Current assets are lower at $11,731,601, as against $14,237,353. Inventories have been reduced from $8,677,682 to $6,518,160. Accounts receivable are only slightly lower at $3,766,843, and other items show relatively small change. Current accounts and bills payable now total $2,576,817, as compared with $8,380,312.

During the year the company acquired the balance of the outstanding stock of the Canadian Edison Appliance Co., manufacturers of electric household appliances. Its assets and liabilities are included in the balance sheet. This accounts for the large increase in capital assets. The company sold its interests in the Canadian subsidiary of the Marconi Wireless Telegraph Company of Great Britain for cash, and recovered certain manufacturing rights thereby.

ARE STOCK PRICES NEARING PINNACLE OR DANGER POINT?

(Continued from Page 1)

countries have shown a steady trend upward as world conditions have bettered. A group that is worthy of not a little study at the present is the industrial. The stories of big earnings and business ahead will affect these concerns and their issues more than any other group, although the companies handling food products, operating public utilities and power concerns are bound to benefit by increased prosperity.

The table follows:

	High End of 1919	High Since	Low Since	Pres.
Abit. P. & Paper Co.	355	87	22	69½
Pref.	110	100	89½	90¼
Ames Holden, C.	137½	134	10	—
Pref.	116¼	114¾	1	1
Am. Salesbrook, C.	7½	42½	9	40
Pref.	83½	95	78¾	92
Asbestso Corp., C.	91½	103	36	71½
Pref.	103	108	65	89½
Atlantic Sug. C.	79	164	16	25
Pref.	123½	185	34	47
Barc. Traction	11⅛	20⅞	3¼	16½
Bell Telephone	120	123	99¼	120½
Braz. Trac., C.	60¾	55	19¾	50
B. C. Fishing	73	69	18½	18¾
Bromp. Pulp, C.	87	151	13	40½
Burt, F.N. C.	112½	188	71	138
Pref.	110⅛	113	89	133
Canada Bread, C.	24⅛	66¾	16½	63½
Pref.	95	97	82	94
Can. Car C.	74	68¼	16	32
Pref.	109	106	42	76
Canada Cement, C.	74¼	87¾	47	86¾
Pref.	102	100	81	86¾
Canada S. S. C.	81	80	10	18
Pref.	87¼	85	36	51½
Can. Converters	76	101	55	99
Can. Cottons, C.	98	134	62½	133
Pref.	85	91	66	91
Can. Fairbanks P.	88½	72	65¾	71
Can. F. & F. C.	200	256	28	35
Pref.	92	91	55	61½
Can. G. E. C.	113¾	117¼	75	86¼
Pref.	100	103	90	103
Canadian Loco., C.	105¾	101	60	74
Pref.	97½	96	78	94½
C. P. Ry.	175	154½	114	152
Can. Salt	147	105	72	103
Carriage Fac., C.	49½	41½	3	4½
City Dairy, C.	62	153	50	140
Pref.	92½	102	80	100⅜
†Consumers Gas	152	162	65	154½
Crow's Nest Coal	65	59⅞	45	48½
D. U. Ry.	113	113¼	50	77¼
Dom. Bridge	117¼	115	51	74¾
Dom. Canners C.	65½	61¾	19	31
Pref.	92	90	73	86
Dom. Glass, C.	70	99½	44½	97⅞
Pref.	94½	101¾	77½	101¾
Dom. Telegraph	90¾	91½	32½	45½
**Dom. Textile, C.	125	203	63¾	70
Pref.	106	110	89	109
Dom. Coal, Pref.	98	90½	65	86½
Dom. Iron, Pref.	100	92	55	76
Dom. Steel Corp. C.	75¼	82½	21½	
Duluth Superior	31	36⅞	12	34⅜
H. Smith P. Co.	151	167	56	82¼
Pref.	99½	108	64	107
Illinois Trac. C.	17	52	12	40½
Pref.	70	85	64	82½
Kaministiquia Pr.	85	122	80	122
Lake of Woods Milling, Com.	229	225	130	180½
Pref.	110	115	93½	115
Laurentide Paper	90	125	62	92
Lyall Construc.	165	99	27	42
Macdonald, A. Com.	229	225	130	180½
Mac. A. Com.	80	124	68½	116
Pref.	69½	74	60	69
Maple L. Mill. C.	206	196	109	122
Pref.	104½	104	92	101
Monarch Knit., C.	65	76½	27½	40
Pref.	90	90	69	82
Montreal Cot., C.	85	110	70	110
Pref.	105	109	90	109
Mont. L. Heat., Cons.	92¾	115⅞	76	115
Mont. Trams	160	165	105	150
Nat. Breweries, C.	54	69	36½	51¼
Pref.	98	97	85	91
Ogilvie Flour, C.	298	331	175	327
Pref.	108	118	97	116
Ont. Steel Prod., C.	58	89	34	45¼
Pref.	90	90	75	87
Ottawa L. H. & Pr.	87	92½	60	86½
Pacific Burt., C.	40	100⅛	30	99
Pref.	85	105¼	70	105
Penmans, C.	112	148½	91	145½
Pref.	98½	95½	78½	95
Porto Rico R. C.	24	46	22	29
Pref.	63	81	64	81
Price Brothers, (New Stock)	42¼	46½	24¾	45
Prov. Paper, C.	82⅛	120	85	92
Pref.	90	98	82	98
Quebec Rly.	30½	36¾	18	22
Riordon Pulp, C.	191	226	2	7
Pref.	100	101½	2½	12¼
Rogers, Will., C.	70	102	38	72
Pref.	95½	95¾	53	95
Russell Motor, C.	100	89	20	35
Pref.	102	98	46	75
Shawinigan	121½	119½	100	116¼
Sher. Will., C.	80	119	69	91
Pref.	100¼	101½	80	100
Span. River P., C.	90½	125¼	44	96
Pref.	131	149½	51⅞	104
Steel of Can., C.	88½	88¼	43	77
Pref.	100	102	86	102
St. Law. Flour, C.	151	139½	48¾	78
Pref.	95	96½	85	94
Tor. Railway	47	93	35	85¼
Tuckett Tob., C.	60	57½	32	56
Pref	90½	96	75	93¼
Wabasso Cotton	106	135	40	76½
Wayagamack Pulp	90	150¼	27	60
West. Can. Flour	174¼	145	105	110
Win. Elec. C.	40	48	26	40
Woods Mfg. C.	115½	110	60	78
Pref.	88	102	63	83

* New stock 1920.

† Quotation "Dollars per Share" instead of "Percentage" June, 1921, changed from $50 to $100 par value Feb. 6th, 1922.

**Changed to new stock Jan. 23, 1923.

B.C. CAN OFFER ATTRACTIVE JOBS TO IMMIGRANTS

Government Believes This a Good Time for a Campaign

From Our Own Correspondent.

VICTORIA.—The importance of adding to the province's population has been recognized for a long time, and efforts have been made during the last few years to encourage immigration. Most of these efforts, if they have not failed altogether, have met with only partial success, and it is believed that the basic reason for that is the depressed condition of industry. Now, however, industries are rapidly forging ahead and as a result of market improvement throughout the world a natural reaction has started to take place; British Columbia has become once more an attractive employer of labor and the men who deserted the province for other parts of the continent because of industrial stagnation are beginning to trek back again.

Unemployment, for about the first time since the war, has practically reached the vanishing point as early as March, and the general trend of conditions indicates that there will be a shortage of labor before summer. The building activity which has been apparent for several months in the East is now working its way west, and the construction trades expect to have the busiest season this summer that they have experienced since pre-war days. So far, there has been no increase in wages worth speaking of, although it is probable that some trades will regain some of the ground which they have lost since 1920. If there is any increase in wages, however, it is not likely to be detrimental to industry. It will merely act as an additional inducement to people to come to British Columbia.

Meanwhile the provincial government is endeavoring to increase the number of farmers in the province by encouraging emigration from the northern states. Hon. T. D. Pattullo, Minister of Lands, announces that arrangements have been made with the Salvation Army in England to send out a number of domestic servants and carefully selected boys agriculturally trained to be placed in British Columbia. These immigrants will be the first of their kind to come to this part of Canada since the war and it is hoped that they will be the forerunner of a general movement which will have the ultimate result of materially increasing the province's population. The government is now trying to work out plans that will insure the advent to British Columbia of 500 actual farmers annually. The authorities are going ahead on the theory that for every farmer on the land the country can support thirty people in other lines of endeavor. British Columbia at present has only 16,000 farm holders.

St. Maurice Paper Will Have Favorable Report

From Our Own Correspondent.

MONTREAL.—The annual report of the St. Maurice Paper Co., will be mailed at the end of the week and is understood that it will show a substantial increase in the earnings. Last year's profits were somewhat over a million dollars and after payment of 2 per cent. dividends quarterly and provision for depreciation, etc., the company added to their profits and loss surplus $617,000. Figures for 1922 will be better than this. This company is a subsidiary of the Union Bag and Paper Corporation that operates Kraft mills and newsprint machines near Three Rivers.

B. C. ELECTRIC

Gross earnings of the British Columbia Electric Railway Company for the month of January amounting to $928,187 compared with $907,242 for the same month in 1922, an increase of $20,945. Operating expenses at $620,856 were lower by $616, while net income amounting to $307,331, showed an increase of $21,961.

Protection

If a man insures to protect his family, he safeguards his business. If he insures to safeguard his business, he protects his family.

We would like to discuss with you the advantage of a Great West Life policy as a means of protection and as a sound investment.

Write for rates and plans.

The Great-West Life Assurance Company

Dept. "G" Head Office: Winnipeg

Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE THIRD DAY OF APRIL

next, to Shareholders of record at the close of business on the fifteenth day of March.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, February 21st, 1923.

5½% Interest Return

INVEST YOUR SAVINGS in a 5½ DEBENTURE of The Great West Permanent Loan Company

SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

HEAD OFFICE, WINNIPEG

Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

Dominion Textile Company

LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

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The resources of Canada and her capacity for foreign trade expansion are practically unlimited.

To exploit these fully it is necessary to have the best and latest information on world markets.

"The Manchester Guardian Commercial" supplies this—its aim is to be eyes, ears, intelligence, and gospel to the business man the world over.

It has its own correspondents posted at every junction and terminus of the world's commerce so as to miss nothing in finance, trade or manufacture in any country which matters to-day or will tell to-morrow.

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$4.00 per year

North American Office: 220 West 42nd St., New York.

C.P.R. HAS MONEY TO PAY OFF LOAN OF $52,000,000

Does Not Mature Until 1924 But Will be Met Next July

1922 FINANCING

During Past Year Railroad Borrowed Over £3,000,000 in London — Will Issue More Debenture Stock

From Our Own Correspondent.

MONTREAL.—During the coming year the Canadian Pacific Railway will pay off $52,000,000 of ten-year note certificates that were issued in 1914. These certificates do not mature till March 2nd, 1924, but under the trust deed the company has the pribilege of paying them off at any time on 60-days notice and this clause is being taken advantage of to redeem the certificates in July. When these certificates were issued the company agreed that money accruing from the payments on lands that had been sold and some other sums should be set aside as a fund to redeem these notes when due. These sums are sufficient to provide for the retirement of these notes. They will be paid off in cash and no new financing is planned to meet them. It is understood that the liquid position of the C. P. R. will not be affected.

Canadian Pacific Railway will issue an addtitional amount of its 4 per cent. consodidated debenture stock this year. The president in the annual report to the shareholders states that 87 miles of branch line construction will be proceeded with and at the annual meeting the shareholders will be asked for authority to issue a sufficient amount of the 4 per cent. debenture stocks to meet the expenditures. During the past year the amount of this stock outstanding was increased from $238,206,431 to $253,229,965. In the spring $2,000,000 of the stock was sold in New York and during the year £3,087,007 of the stock was sold in London. The market for this security both in New York and London continues active and favorable. Shareholders who may have been considering the possibility of an allotment of further stock of the company to them at somewhat less than its market value, should consider that the C. P. R. has been able to finance on a very economical basis by the sale of its 4 per cent. debenture stock and in fact can borrow at rates less than almost any other railway in the world.

Interest Well Protected

The company has only a little more than $3,000,000 of bonds outstanding and these are on one of the branch lines. With the payment of the note certificates in July, the interest or the debenture stock will be almost the only fixed charge and the company has demonstrated its ability to earn this nearly three times over in the lowest ebb of prosperity.

Two years ago the shareholders gave the company authority to issue any form of security for any purpose provided that it is junior to the consolidated debenture and does not exceed the amount of this stock. During the previous six and a half years the company had expended on capital account over $88,000,000, although the proceeds of the sale of capital issues amounted to only $26,000,000. This meant large demands upon the company's cash reserve. No advantage has been taken yet of this by-law to issue bonds junior to the 4 per cent. debentures.

During the coming year there will be considerable capital expenditures of the railway totalling $7.630,100 in addition to the branch line construction mentioned. The company will also purchase during the coming year $12,296,000 of equipment, which is usually financed by equipment trust certificates that do not rank as a charge on the lines in the same way as bonds. They are a charge on the equipment purchased with the funds.

Has No Desire to Get Hold of La Rose Cash

"We do not desire to exhaust the La Rose treasury or use it for other purposes. What we want is to ensure the operation of the Cobalt properties," said H. A. Sutherland in reply to the charge that his shareholders committee was after the $400,000 odd treasury of the company. He pointed out that this sum will be greatly reduced by the dividend paid and will only leave a reasonable amount to go on with. To pay the O'Brien damages may exhaust the treasury entirely. For this reason he is opposed to the company, after waiting all these years, going into Porcupine with a shoe-string. The time to have done this was when there was a much larger treasury. Mr. Sutherland says a sane policy regarding the O'Brien dispute and an aggressive operation of the Cobalt properties is the only possible one for La Rose under present conditions. He expresses the belief that the present directorate cannot settle with the O'Brien people. He believes a new directorate could do so on a most reasonable basis.

To Build the Railway to Grande Prairie

From Our Own Correspondent.

EDMONTON.—An agreement has been finally reached between the Alberta Government and the McArthur and Union Bank interests, of Winnipeg, for the extensions of the northern railway lines in the Peace River and Grande Prairie districts. It had been previously announced that the several parties had come to terms, but H. A. Robson, legal counsel for the Union Bank, which holds a mortgage against the railroads, has been here for several days arranging the details of the settlement. The way is now clear, it is stated, for construction work to be commenced as soon as weather conditions will permit.

The Winnipeg interests had at first insisted that the work be done by the Canadian Pacific Railway Company, but Mr. Robson now states that this condition will be waived, and it is possible that the railway department of the provincial Government will build the extensions, which total some twenty-five miles. The money appropriation for the work was made a year ago.

CANADIAN PACIFIC GETTING BACK TO LOW COST RATIOS

President Very Optimistic in Presenting Report to Shareholders

From Our Own Correspondent.

MONTREAL.—There is a fine note of optimism in the remarks of E. W. Beatty, K. C., President of the Canadian Pacific Railway, in the annual report to the shareholders. Referring to traffic operations and returns he says, "The directors feel that short of some calamity or grave economic disturbance that cannot be foreseen the worst of the after-war depression has passed and that more stable and more favorable commercial conditions should exist from now on with the consequent improvement in traffic and revenues."

Better conditions are seen, too, in the steamship business which during the past year was very trying. The large amount of ocean tonnage which the owners had endeavored to keep in commission had naturally created a situation seriously affecting revenues and transportation both as to freight and passengers. In addition to the steamship lines and private companies, the large government-owned tonnage had been in active competition with the old-established lines on all oceans. The competition in the United States lines especially had been of a demoralizing feature during the past year. In some cases lower freight rates were established than shippers represented as necessary and were willing to accept. Of the future in this field Mr. Beatty says: "Your directors feel, however, that you may look forward to the present year showing better results. Special efforts are being made to encourage through travel between the Orient and Europe and the summer schedules will enable a passenger to travel from Japan to England or France, a distance of about 10.000 miles in 21 days."

Sales of agricultural lands in the year were disappointingly small according to Mr. Beatty. The total was 107.503 acres or $1.732.742 being an average of $16.12 per acre. The conditions were, however, general and combined with small immigration resulted in little new settlements and the lowest number of farm transactions in any year during the last ten years.

Operating Ration Down

The financial figures of the Canadian Pacific in 1922 have been reviewed already in these columns. Some additional information is now available. Divisionse of earnings and working expenses is shown here:

Earnings for the Year

From passengers	$ 35.331.524.95
From freight	128.918.136.97
From mails	3,594,894.92
From sleeping cars, express and miscellaneous	18,830,479.00
Total	$186,675,035.84

Working Expenses for Year

Transportation expenses	$ 70,994,918.81
Maintenance of way and structures	27.405.339.18
Maintenance of equipment	32.009.461.39
Traffic expenses	7,381,373.39
Parlor and sleeping car expenses	2,128,381.02
Expenses of lake and river steamers	1,414,512.87
General expenses (including all taxes)	9,039,358.17
Total	$150.373,344.83

The working expenses for the year including all taxes amounted to 80.55 per cent. of the gross earnings, as against 82.28 per cent. in 1921. This indicates that the Canadian Pacific Railway is getting back to its old standard of one of the most economically-operated railroads in the world. For instance, the average operating ratio of the Canadian Pacific Railway for the ten years ending 1921, was 72.79 per cent. That of the other large railroad on the continent, the Pennsylvania system was 82.12 per cent. for the ten year period, although such roads as Atchison and Union Pacific had operated at 69.27 per cent. and 62.99 per cent respectively.

Total assets of Canadian Pacific Railway are shown as $1 127 441.150 as compared with $1.124.725 248. Total working assets show a reduction of seven and three quarter million dollars to $84 196 946 as compared with $91,909.770. The most interesting item is the increase in the amount of four per cent. consolidated debentures outstanding, to which reference is made in another part of this issue.

McKINLEY-DARRAGH PROFIT

The McKinley-Darragh mine at Cobalt made a net profit of $65,086 in 1922 though operations were carried on for only half the year. The company mined 297,033 ounces of silver worth $194.078, which gave a mining profit of $163,035. Shut-down expenses reduced this to the above net. Cash assets of the company are $239,806.

PULP AND PAPER MILLS AGAIN GET EXCHANGE EXTRAS

Premium of New York Funds Quite a Substantial Benefit

FEBRUARY EXPORTS

Were Larger Than in Same Month Last Year Though Showing Decline From January Figures

From Our Own Correspondent.

MONTREAL.—Canada exported to the United States in February pulp and paper products to a value of $8,921,154. New York funds have averaged around 2 per cent. premium lately which means that Canadian mills have added about $175,000 a month to the output of Canadian mills on the basis of February exports. Practically all contracts specify New York payment. In the case of one company alone, Spanish River, profits from exchange are estimated at close to $30,000 a month at the present time. At one time they were greatly in excess of this total.

Total value of all Canadian exports of pulp and paper in February came to $9,983,678. The figure was somewhat smaller than the January total of $10,298,243 but was well over the February, 1922, total of $8,049,208. In every branch except sulphate pulp healthy increases were shown in the February exports over the figures of the same month in the previous year, as this table will indicate:

February Exports

Paper	1922	1923
Newsprint	$ 5,040,244	$ 6,360,140
Book paper	9,850	20,790
Other paper and manufactures	551,626	649,207
	$5,601,720	$ 7,030,137
Pulp		
Sulphate	$ 690,757	$ 618,342
Sulphite, blchd.	756,457	1,106,616
Sulphite, unblch.	594,625	696,128
Mechanical	405,649	533,455
	$ 2,447,488	$ 2,953,541

Eleven months to February 28

Paper	1922	1923
Newsprint	$57,842,499	$64,058,060
Book paper	200,650	260,829
Other paper and manufactures	4,032,371	5,705,033
	$62,075,520	$70,023,922
Pulp		
Sulphate	$ 7,004,618	$ 8,267,965
Sulphite, blchd.	7,404,827	11,550,810
Sulphite, unblch.	8,407,843	9,930,148
Mechanical	9,893,155	8,829,798
	$32,710,443	$38,578,721

United States Big Market

The distribution of the February 3 exports according to destination is here given:

	Paper	Pulp	Total
U.S.A.	$6,149,242	$2,771,912	$8,921,154
U.K.	229,346	48,240	277,686
Other	651,549	133,389	784,938
	$7,030,137	$2,293,541	$9,983,678

The strike in the Swedish paper mills gives evidence of dragging on for some time yet and as a result there has been a somewhat stiffer demand for Canadian pulp. Sulphite pulp manufacturers are looking for improved prices. Sales of sulphite pulp are on a larger basis and such mills as Mattagami and Riordon are benefiting in consequence.

It has been figured that, with 1917 as a basis of comparison, sulphite pulp prices are 21 per cent. below average commodity prices.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the second week of March amounted to 8,189 tons, 6,821 tons of which were produced by the company's mines. For the year to date the receipts total 92,509 tons.

PATERNALISM MAY COST THE PRAIRIES TREMENDOUS SUMS

Manitoba With Credits Half That of Saskatchewan Worries Greatly

FARMS ABANDONED

Alberta's Trouble is Interference With Creditors With Result That No Loans Available To-day

The prairies are in the midst of a death struggle with paternalistic legislation. There are some leaders who are anxious that there be a return to normalcy and are working to that end. Manitoba is greatly worried over its rural credit scheme and is trying to save the wreckage. In Saskatchewan they are feeling a little more buoyant over their Saskatchewan Farm Loan Board, as this concern was successful in collecting 40% of its interest and other charges during 1922. Alberta is worried over the Drought Relief Act. In each case it is paternalism. In each case there has been trouble and in each case there will be more trouble before the end is arrived at.

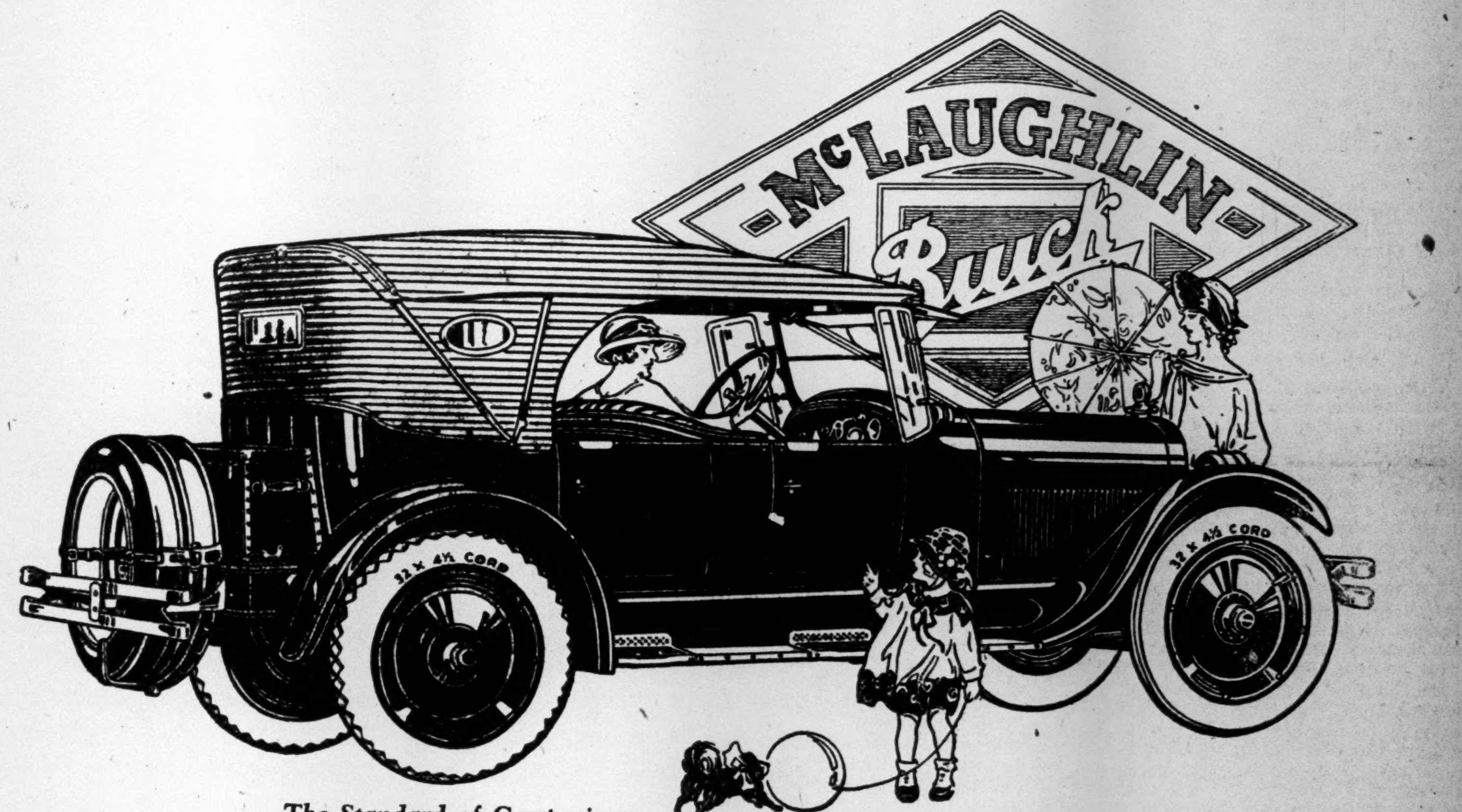
Manitoba seems worried over the fact that the rural credit societies, 74 in number, loaned $3,000,000. There are about 3,500 borrowers and it is not thought half will be able to pay back. It is believed that the province will lose $500,000.

Compared with the situation in Saskatchewan, it might be said that Manitoba is crossing bridges before it has come to them. In the province to the west they are already certain that they are going to lose some of the money. There the Farm Loan Board has $7,768,109 of the people's money loaned out, or more than twice the amount in Manitoba. Saskatchewan has already found out what Manitoba expects, that some will not pay. In fact, the board has now some 19 farms on its hands. These were abandoned. They sold some of them and got the amount of the loan. However, they do not expect to do this all the time. They expect they will lose from many yet to be placed on the auction block. Besides the board has due in accrued interest $562,968.

No Loans Being Made

In Alberta the situation is just a little different. The paternalism has resulted in interference between debtor and creditor with the rather distressing effect that persons outside of the province are becoming wary about becoming the creditor of any domiciled in the province. To make matters worse, the legislature in this province is in session. Many farmers want to arrange for their coming season. They cannot. It is pointed out by one Westerner that bankers will undoubtedly tell the farmers that they cannot borrow until after the session of the house is over. In a word, until they see what next happens to the statutes. There is a reason for this. The general effect of the act has not been good and the method of its administration in the part of the province it was most desired to serve has had the tendency to shake the confidence of financial houses and business people. Long distance administration by the commissioner has brought about such poor results that it is said business men are in despair. There is little to wonder at, then, that they are fighting shy of loans in 1923. The solution urged is to let the debtor and his creditor get together. Otherwise a local judge should be appealed to.

Ford retail sales during first ten days of March were 59.950 cars, the largest volume ever reached in an equal period. Production of 6,000 cars a day predicted for April.



The Standard of Comparison

AN OUTING COMPANION ADMIRED BY ALL

Master-Six 23-55 Sport Touring $2375

One glance at this McLaughlin-Buick six-cylinder sport touring car reveals why discriminating motorists so ardently desire it

This beautiful sport touring car fairly sparkles with light and color.

Standard Equipment

Combination dim and full electric drum lamps, two cowl lamps, combination tail and stop lamp, electric instrument board lamp, trouble lamp, non-glare headlight lenses, tonneau lamp in speedometer, electric motor horn, rear vision mirror, transmission lock, cowl ventilator, windshield wiper, double bar spring steel bumper, radimeter and gasoline gauges on instrument board, running board scuff plates, combination double tire carrier, extra demountable rim, walnut instrument board with recess panel and locked compartment, walnut finishing strips on doors, portable locked tool cabinet in door, bevel plate glass windshield wings, cigar lighter.

Prices F.O.B. Oshawa—Government Tax Extra

Master Fours		Master Sixes	
23-35 Regular Touring	$1235	23-41 Touring Sedan	$2725
23-34 Special Roadster	1275	23-44 Special Roadster	1695
23-35 Special Touring	1295	23-45 Special Touring	1725
23-36 Coupe	1645	23-47 Sedan 5 Passenger	2795
23-37 Sedan 5 Passenger	1950	23-48 Coupe 4 Passenger	2675
23-38 Touring Sedan	1855	23-49 Special 7 Pass. Tour.	2095
		23-50 Sedan 7 Passenger	3095
		23-54 Special Sport Roadster	2295
		23-55 Special Sport Touring	2375

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Subsidiary of General Motors of Canada, Limited, Oshawa, Ont.
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McLAUGHLIN-BUICK

M-1923

MONEY, BANKING AND EXCHANGE

THE INDUSTRIAL REVOLUTION AND THE BANK SYSTEM

British System Always Sound—Germany Tries Evasion

The fact that natural resources in the shape of millions of acres of land or tens of millions of feet of timber are of little value unless there are means of turning them into present wealth, is emphasized by Professor C. R. Fay, of Toronto University, who recently delivered a lecture on the industrial revolution and its consequences, to the Toronto Bankers' Educational Association. The things necessary to this process of turning national resources into wealth are not only labor—that, of course, is indispensable—but also capital to finance the enterprise.

Going back we find that even prior to the year 1800 England had established a leadership in industry because she made use of the opportunities to develop her resources. She developed skilled workmen and gradually introduced industrial machinery. Progress, however, became much more rapid in the 19th century. The bankers, led by the Bank of England, made a financial unit of England for the purposes of trade. The provinces, building up new industries of spinning and weaving and engineering, were linked up with London where the main accumulations of money were, and where in those days the main centre of the import and export trade was. The real strength of the English banking system at the opening of the 19th century was the splendid way in which the system was linked into a unity. In Scotland the bankers added their own characteristic contribution to a sound foundation already existing, an untarnished currency system and a stable record in the matter of deposit banking. To which was also added the cash credit, the loan on personal security and the formation of the joint stock banking companies.

Then finance further assisted industry through such organizations as the insurance companies, loan companies, guarantee companies, institutions for the handling of money of stocks and shares.

A Sound Currency

At the opening of the 19th century we find the Stock Exchange established, with the beginning of other central marketing organizations, markets for raw products, for metals and other things. But perhaps the biggest service that the banks rendered to industry was the jealous regard they had for the reputation of the currency. England took on herself a heavy burden in order to keep that currency sound. France in 1815 emerged with next to no national debt because through currency repudiation, no debt remained. Precisely the same thing is now being repeated a century later. Germany, the defeated party, is coming out of the war with nothing like the burden of debt taxation that England carries, because the printing press has been turned on to remove the debt, in effect.

Who has been the wiser party—England in loading herself with taxation and a burden of debt, or Germany in degrading her currency? In the opinion of Professor Fay there is much to be said for the German policy in the short view, but if in the long view there is no doubt which is right, because, whereas a financial reputation can be broken in a day, it takes, if it is to be a world-wide prestige, a century to build it up again. That is the reason why today all people who take the long view see that England must maintain her reputation in the world not only from a sentimental desire to be patted on the back, but for the vital reason that she must command the confidence of the world; confidence not only among foreign countries, but in particular the confidence of those members of her own self-governing dominions with which she hopes to minions with which she hopes to build up bigger and ever bigger trade relations as their development goes on.

The Banker's Responsibility

Taking up the question of the banker's responsibility and opportunity, Professor Fay says:

I do not want to force the point, but it is just this, to remind you that you as bankers are moving along in your world with your problems, we as teachers move in ours, the worker in his. It is the law of modern industry that specialization goes on, it is becoming more and more deepcut through industry, it is no good fighting against what makes for technical efficiency, but we have to bear in mind that just in proportion as specialization proceeds we must guard against the results of excessive specialization. We are men, citizens as well as bankers or teachers, and one of the finest ways in which we can show our citizenship is by looking at economic problems from the other fellow's point of view. I am satisfied that from the way banking business is carried on in the Old Country and in Canada the industrial world has little to fear on the score of integrity or enterprise, those things are secure, but that further thing which we must add is a sympathetic approach and attitude towards opinions which at first sight seem to conflict with those which we hold ourselves. It is going to be necessary to avoid the narrow outlook. The banker will move in one groove, he cannot help it, he is taken along; so is the teacher immersed in research, we have to be constantly pulling up, to be ready to submit to criticism from other people, and try to see what we would do if we were in his place.

Exchange

NEW YORK FUNDS

Mar. 22—Funds opened at 2 1-16 per cent. premium, touched a high of 2 5-16 and closed at 2 9-32.

Mar. 23—Funds opened unchanged at 2 9-32 and closed at 1 15-16.

Mar. 24—Opening at 1¾ funds moved to 1 15-32 at the close.

Mar. 26—Funds sold at 1½ per cent. premium.

Mar. 27—Opened at 1 11-16, advanced to 1 13-16, reacting again to 1 25-32 at the close.

Mar. 28—Funds opened at 1¾, touched a low of 1 11-16 and closed at 1 23-32.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Mar. 22	4.69¼	6.68½	4.92½
Mar. 23	4.68⅛	6.52	4.89½
Mar. 24	4.68¾	6.48½	4.89½
Mar. 26	4.69	6.61	4.90½
Mar. 27	4.68⅝	6.55½	4.92½

Buys Annuity to Protect Family

Increase in the receipts for Dominion Government Annuities for the year ending March totals over $250,000, the full amount of receipts exceeding the $1,020,000 mark, the number of annuitants being 5,642 of which 3,000 reside in Ontario. When it is remembered that this represents unsolicited business except through the medium of advertising the increase becomes more significant.

It is interesting to note that since the increase in 1920 of the amount of an annuity that could be bought from $1,000 to $5,000 there has been a substantial number of purchasers of the larger amount annuities. These among doctors, lawyers, retired business men, executives, and many other line of endeavor. One instance is that of a retired business man with a bank account of some $80,000. He wished to make sure that not only would he have an assured income for his remaining years but also his wife, his brother and his sister-in-law. The two last were in need of financial assistance, and rather than have them wait until his death that they might profit by his wealth, he hit upon the Dominion Annuity scheme for their assistance. As a result, by the payment of a sum approximating $60,000 he purchased annuities giving himself and his wife a yearly income of $5,000 each, and also comfortable yearly amounts for his brother and his sister-in-law. Thus not only was an income assured for himself and those he wished to provide for, but, as he put it, he had still a balance of $20,000 to "play around with."

Mr. Bastedo, the Superintendent of Government Annuities at Ottawa, is enthusiastic concerning the progress shown during the past year, yet has plans maturing that will not only increase the effectiveness of the annuity scheme for certain classes but will doubtless mean more substantial business for the coming year. Included are plans to interest large employers, manufacturers, in the annuity scheme for the benefit of their employees, with unquestioned benefit to both.

American Millions in European Art Treasures

Europe sent to America last year more art works than in any year since the beginning of the war. Whether this increase is due to a growing taste in the United States for material of this character or to a willingness on the part of Europeans to permit their art accumulations to pass to other parts of the world, is perhaps difficult to accurately determine. At least, it is a fact, says the Trade Record of the National City Bank of New York, that importations of art works in the four years since the close of the war have averaged $26,000,000 a year as against $17,000,000 a year during the war, and for the full year 1922 will total about $33,000,000. The total value of art works imported since 1910, the year following that in which art works upward of 20 years old were permitted to enter the country free of duty, is about $350,000,000, an average of about $29,000,000 a year.

LONDON MANAGER OF UNION

It is reported by cable that F. W. Ashe, manager of the London branch of the Union Bank of Canada, has resigned. W. R. Allan, president of the bank, who is in London, is credited with the statement that Mr. Ashe's successor will be a Canadian.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Mar. 22, 1923	Change	%
Montreal	$ 98,106,039+	$ 9,797,362	11.1
Toronto	88,376,461—	2,203,061	2.4
Ottawa	5,986,094+	163,639	2.8
Hamilton	5,029,563+	271,061	5.7
Quebec	4,748,333—	262,902	5.2
Windsor	3,156,564+	33,442	1.1
St. John	2,673,129+	176,901	7.1
London	2,398,685—	97,639	3.9
Halifax	2,364,520—	339,953	12.5
Kitchener	1,031,035+	3,938	.3
Sherbrooke	963,763+	237,293	32.7
Peterboro'	905,456+	273,832	43.4
Moncton	901,967—	93,380	9.3
Brantford	888,349—	58,764	6.2
Kingston	545,839—	46,998	7.9
Total West	$218,075,797+	$ 7,854,761	3.7

WESTERN CITIES

	Mar. 22, 1923	Change	%
Winnipeg	$ 35,102,606—	$ 3,687,841	9.5
Vancouver	12,126,832—	1,339,891	9.9
Calgary	4,415,446—	245,700	5.3
Edmonton	3,475,493—	373,837	9.1
Regina	2,798,418+	107,487	3.9
Victoria	1,774,821—	239,353	11.8
Saskatoon	1,260,370—	186,349	12.9
Moose Jaw	929,952—	120,030	11.4
Ft. William	647,320+	27,808	4.5
N. Westminster	482,813—	8,246	1.6
Brandon	435,807—	39,931	3.4
Lethbridge	424,184—	40,817	8.8
Pr. Albert	316,317+	29,094	10.1
Med. Hat	310,217—	50,962	14.1
Total West	$ 64,500,596—	$ 6,168,568	8.7
Grand total	$282,576,393+	$ 1,686,193	.6
Year to date	$3,398,000,989—	$175,447,746	4.9

BANK OF HAMILTON ADDED TO RESERVES

Total Now Closely Approaching Amount of Paid-up Capital Stock

The fact that the savings deposits of over $45,000,000 of the Bank of Hamilton showed a reduction during last year of only $1,700,000 in the face of the general decline in savings, permitted the maintenance of current loans at a high level with a reduction of only slightly more than $2,000,000 or considerably less than the reduction of $3,250,000 in demand deposits. At the same time call loans in Canada were increased by $1,220,000. Loans on government securities were reduced by $2,800,000 and municipal loans by $1,000,000. Following are comparative figures from the balance sheet: :

Immediately Available Liquid Assets

	1922	1921	Change
Specie	$ 929,918	$ 1,442,634—	$ 512,716
Dom. notes	7,228,453	7,591,258—	362,805
Note cir. dep.	250,000	250,000	......
Notes, bk.	478,554	477,657+	903
Bank bal.	510,515	458,074+	52,441
Do., ab'd	431,106	779,414—	348,308
Gov. sec.	3,219,631	6,047,508—	2,827,877
Cheques	2,680,393	2,466,806+	213,587
Gold res.	500,000	......+	500,000
	$16,228,570	$19,513,345—	$3,284,775
% total as'ts	21.8	24.5 —	2.7
% total liab. to public	25.2	28.2 —	3.0

Other Assets

	1922	1921	Change
Pub. sec.	$ 3,017,384	$ 3,111,954—	$ 94,570
Other sec.	$,412,587	314,124+	38,463
Call loan	7,055,307	5,834,533+	1,220,774
Current	39,500,198	41,664,077—	2,163,879
Over. debts.	360,807	235,344+	125,463
Lets. of cred.	195,967	143,138+	52,829
Real estate	681,899	692,684—	10,785
Premises	3,330,795	3,128,807+	201,988
Mun. loans	3,210,947	4,264,693—	1,053,746
Other assets	477,169	518,056—	40,887
	$58,243,060	$59,967,410—	$1,724,350
Total assets	$74,471,630	$79,480,755—	$5,009,125

Liabilities to Public

	1922	1921	Change
Circulation	$ 4,709,557	$ 4,659,386+	$ 50,171
Dem. dep.	13,822,363	17,073,021—	3,250,658
Savings	45,144,012	46,837,100—	1,693,088
Due banks	98,605	231,926—	133,321
Due else.	423,479	318,782+	104,697
Accept.	195,967	143,138+	52,829
	$64,393,983	$69,263,353—	$4,869,370

To Shareholders

	1922	1921	Change
Capital	$ 5,000,000	$ 5,000,000	$ ......
Reserve	4,850,000	4,850,000	......
Dividends	150,849	150,812+	37
Balance	76,798	216,590—	139,792
	$10,077,647	$10,217,402—	$ 139,755
T't'l liab.	$74,471,630	$79,480,755—	$5,009,125

The profit and loss account reflected the general contraction of earnings in the banking field, the net of $797,898 comparing with $850,672 in the previous year. However, after the payment of dividends and allowances for pensions and taxes, the total balance including that brought forward was sufficient to allow $260,000 to be added to the reserve and leave $76,798. The reserve fund now amounts to $4,850,000 compared with a paid-up capital of $5,000,000. Following are comparative figures from the profit and loss account:

	1922	1921	1920
Bal. forward	$ 216,590	$139,265	$ 85,249
Profits	797,898	850,672	888,019
Prem. on stk.	......	890	499,110
	$1,014,488	$990,827	$1,472,378
Dividends	600,000	599,954	598,569
Pension	21,031	23,408	20,434
Taxes	66,659	49,984	65,000
Premises	......	100,000	......
Reserve	250,000	890	649,110
Balance	76,798	216,590	139,265
	$1,014,488	$990,827	$1,472,378

The Earnings Record

	Earn	Div.	% earn on cap.	*% on Invest.
1922	$797,898	12	15.9	7.9
1921	850,672	12	17.0	8.6
1920	888,019	12+1	19.3	9.0
1919	847,105	12	21.1	10.2
1918	571,226	12	19.0	8.7
†1917	598,522	12	19.9	9.2
1916	442,525	12	14.7	6.8
1915	424,274	12	14.4	6.2
1914	485,265	12	16.5	7.9

*Per cent. earned on the balance brought forward, rest and capital represent the shareholders' funds.

†For fifteen months.

Sterling

The Sterling Bank announce the following staff changes: L. P. Singer, Orangeville, has been transferred to Alton; N. C. Bucknam, acting manager at Port Dalhousie, appointed chief accountant.

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter for the week ending March 21 amounting to 8,603 tons and for the year to date the receipts total 101,112 tons.

EXCHANGE MOVING SLOWLY TO PARITY

During Past Year There Have Been Several Improvements

From Our Own Correspondent.

MONTREAL.—Most of the fluctuations in foreign exchanges that have taken place during the past year have been favorable in their effect upon Canada. Of twelve important currencies of the world, five stand higher in relation to the Canadian dollar than they did a year ago at this time; in the case of seven others the present rate is more adverse to them than it was a year ago, although most of the changes are minor.

Of outstanding importance to Canada has been the continued rise of the pound sterling which has shown an appreciation of 28 cents in twelve months. Next in importance has been the decline in the American dollar, or to put it another way the rise in the Canadian dollar. Had recent gains been held this would have been a matter of prime importance, but the actual change during the year is only one per cent. The premium on New York funds is now in the neighborhood of 2 per cent., where a year ago it was 3 per cent.

Studying the record for a number of years past it is seen that the spring of the year usually brings the height of the premium on New York funds and the close of the year the low point. This has brought out the rule which, of course, cannot be blindly followed, that the Canadian importer of goods from the United States should aim, so far as possible, to buy New York exchange in the months of September to December inclusive, while the Canadian exporter should strive to sell New York exchange from February to July and especially during the first half of this period.

The most violent fluctuations in foreign exchanges have taken place in marks, which are valued now at .000048 cents, as against .0036 cents a year ago. Canada undoubtedly will benefit from the rise to parity of the currencies of the various islands of the British West Indies for this condition makes trade with those nations easier of negotiation. Holders of Brazilian Traction stock on the other hand, have suffered somewhat by the decline in the milreis from over 14 cents to about 11½ cents.

In this table the parities of various foreign currencies and the changes in the past twelve months are indicated:

	Par	Now	A Yr Ago		Change
Britain	4.86	$4.79	$4.51	+	$ .28
France	.193	.0616	.093	—	.032
Italy	.193	.0487	.052	—	.004
Holland	.402	.403	.398	+	.014
Belgium	.193	.054	.087	—	.033
Spain	.193	.157	.160	—	.003
Germany	.238	.000048	.0036	—	.00355
Norway	.268	.185	.180	+	.005
Japan	.498	.495	.489	+	.006
Brazil	.324	.115	.142	—	.017
B. W. I.	1.00	.996	.947	+	.05
U. S. A.	1.00	1.02	1.03	—	.01

HOW LONG WILL THIS PROSPERITY BE MAINTAINED?

(Continued from Page 1)

ting the brakes on activities in the building and steel industries and that this influence is almost certain to spread to other industries.

That the period of prosperity will continue throughout the balance of the year is the opinion, based on current conditions, of the First National Bank of Boston:

The opinion that active business would continue during the first six months of the year is yielding to a belief that the whole year is destined to be one of good business. In many lines of industry, activity up to early Fall is already assured. These facts all contribute to the feeling of buoyancy and optimism which pervades the national mind at present. While much is said about the reduced purchasing power of the farmer, there are some important counterbalancing factors, among which is the fact that the value of farm products in 1922 was two billion dollars greater than in 1921 and the cost of production was very likely less than in the earlier year. There is a very evident desire in all directions to keep speculation down, to prolong prosperity as long as possible and to avoid a repetition of the 1920 business crash. That is the underlying reason why conservative men are not making commitments beyond their actual productive needs.

Prosperity Reflected by Higher Savings Deposits in the Banks

A further increase of $16,000,000 in savings deposits during the month is the feature of the February bank statement. These deposits are now only $20,000,000 less than they were a year ago and although considerably below the high record, the recovery is a marked indication of the increased earning power and buying ability of the Canadian people. As there has been no particular change in the position of the farmer as regards income, it may be taken that this is a reflection of the more prosperous conditions prevailing in the manufacturing, mining and construction industries.

Current assets showed an increase of $1,600,000 but were still more than $100,000,000 below a year ago. Note circulation has increased by $4,000,000; demand deposits are down over $4,000,000, while notice deposits are up by nearly $16,000,000. Deposits outside of Canada are higher by $22,000,000. Call loans in Canada are down by $1,500,000, and call outside of Canada lower by $9,800,000. Current loans in Canada total $1,039,993,234 for the month, an increase of $1,597,089 over January's total and a decrease of $103,545,255, as compared with February, 1922. Current loans outside of Canada show an increase of over $7,000,000. Principal items in the statement compare as follows:

ASSETS

	Feb. 1923	Jan. 1923	Change	Feb. 1922		Change
Specie	$ 75,793,636	$ 81,142,503—	$ 5,348,867	$ 77,659,893	—	$ 1,866,257
Dom. notes	184,975,508	182,552,279+	2,423,229	183,106,706	+	1,868,802
Can. call	88,513,509	90,025,233—	1,511,724	100,379,637	—	11,866,128
Call l'ns ab'd	181,567,829	191,381,847—	9,814,018	172,530,600	+	9,037,229
Current	1,039,993,234	1,038,396,145+	1,597,089	1,143,538,489	—	103,545,255
Loans ab'd	165,987,605	158,444,940+	7,542,665	155,706,861	+	10,280,744
Gold res.	46,602,533	42,802,533+	3,800,000	48,902,533	—	2,300,000
Ttl. assets	2,576,603,292	2,527,834,981+	48,768,311	2,645,614,035	—	69,010,743

LIABILITIES

	Feb. 1923	Jan. 1923	Change	Feb. 1922		Change
Circulation	156,714,857	152,632,947+	4,081,910	164,490,301	—	7,775,444
Demand dep.	497,046,874	501,147,121—	4,100,247	488,079,674	+	8,967,200
Savings	1,211,343,461	1,195,351,710+	15,991,751	1,231,349,001	—	20,005,540
Total deposit in Canada	1,708,390,335	1,696,498,831+	11,891,504	1,719,428,675	—	11,038,340
Foreign dep.	288,742,653	266,555,375+	22,187,278	267,435,578	+	21,307,075
Ttl. liab.	2,302,848,674	2,254,646,117+	48,202,557	2,370,542,898	—	67,694,224

Canada Thinks While Politicians Talk

Big National problems now being discussed in Parliament are carefully analyzed by authoritative writers in our

APRIL FIRST ISSUE

"Is the Hudson Bay Route Feasible"
By T.M.Fraser

This informative article describes just what has been accomplished so far and discusses the possibilities of the route and the amazing ice conditions which are reported to exist in the Hudson Bay Straits, even during the supposedly feasible period of navigation in August and September. A statement of interesting facts.

"Farmers Feel that Bank Act Revision Should Ensure Them Cheaper Money"—*By J. H. Haslam.*

As a member of the Royal Grain Commission at Regina, Mr. Haslam is well qualified to present the point of view of the farmer on this question. In our April 15th issue there will be an ex parte statement by A. B. Barker, manager of the Toronto Clearing House. Both fine articles.

and

J. K. MUNRO

In "No One Wants to Start Anything"

A powerful, almost vitriolic article by Canada's best known political writer, on what has been accomplished at Ottawa after two months of oratory.

"Dead Men's Gold"—By Stephen Leacock.
"Within Touch"—By Beatrice Redpath.
A fine complete novelette.
"The Way of Silence"—Gilbert Frankau.
"'Awkin's Corner"—By Henry Holt.
"Joe Martin—Stormy Petrel" — By John Nelson.

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NEWS AND VIEWS FOR MANAGERS

BANK MEN LIKE FIELDING IDEA AS TO PENSIONS

However, They Are Wondering if it Goes Quite Far Enough

Hon. W. S. Fielding, minister of finance, has driven home an item of immediate personal concern to every branch manager in Canada, in his proposal to change the Bank Act to prohibit the investment of bank pension funds in bank stocks. This is the single proposal so far designed to benefit bank employees in the midst of much carpentering on behalf of the general public and the further protection of the investing public.

Ever since the Merchants Bank debacle revealing pension fund losses through depreciation in the market value of the bank stocks held, there has been a growing concern among workers in Canadian banks, and automatically the contributors to these pension funds, of the menace which confronts them under the present government of the pension funds, which to many bank workers represent their sole protection or insurance against the future.

"Most of the banks," said Mr. Fielding, "now have a pension fund—I am not sure whether they all have—and it was found in the case of a recent bank failure that moneys designed to protect the pension fund were invested in bank stock. When the bank stock took a tumble the pension fund took a tumble too. We propose hereafter that banks having pension funds shall not be permitted to invest money for the pension fund in stock of their own or any other bank whatsoever."

Is It Far Enough?

THE FINANCIAL POST has discussed Mr. Fielding's proposal with bankers and has found a general agreement as to its soundness but there is a disposition to question if he has gone far enough. With few exceptions bank employees deplore what they regard as the "haphazard fashion" in which their bank pension funds are directed.

Some of the banks have adopted an efficient method of administering the officers' pension fund. Invariably, of course, this has been possible by reason of an accumulation of funds over a term of years, and sufficient in the total to place the pension fund upon an actuarial basis. One bank, for instance, gives one of its officers as the paid secretary of the fund, which, otherwise, is directed and administered by a board of directors elected from among the officers of the institution, who are directly responsible to the staff. The funds under this condition, it is understood, are invested solely in the so-called trust type of securities and at the end of each year a properly audited balance sheet is presented to each employee of the bank, who is, of course, a contributor.

This clearly is the business-like way of running the pension fund of any bank, and the method which must bring the most complete satisfaction to the staff. On the other hand, so uncertain or unexplained is the administration of the pension fund of some banks that branch managers and the junior staff have been known to refer to their pension fund as "the great mystery" and the "monthly sinkhole." In these institutions, unfortunately, it is found that no regular accounting of the fund is ever given to the staff. The bank's employees are called upon to contribute, usually at the rate of 4 per cent. per annum of their salary, and until 25 years elapse and they automatically become eligible for pension they have no definite conception of the progress or the working of the fund into which a part of their yearly income is diverted. To all intents and purposes they are made to feel that the bank has adopted a wholly paternalistic attitude; actually no credit appears to be given to the staff for contributions, which in reality amount to a form of insurance against their non-working years; and no definite information is forthcoming as to the yearly growth of the fund.

The Merchants Case

Just such a situation is understood to have existed within the Merchants Bank with the result that when the collapse came and the Merchants Bank was absorbed, contributors to the fund over a long period of years were suddenly confronted with the unsoundness of the scheme into which their "savings" had been diverted, and over which one man, the general manager, apparently had sole jurisdiction. The depreciation in the pension fund is reported to have necessitated a reduction in the pension allowances of some of the retired officials of the Merchants Bank, and this no doubt resulted in a real hardship to the pensioners, for seldom is the amount of the pension more than an "existence."

Thus brought to a fuller realization of the seriousness of the situation as to the future of their finances, THE FINANCIAL POST finds bank employees taking a keen satisfaction in Mr. Fielding's proposals on their behalf. There is a disposition to question, however, whether the minister of finance has gone far enough. It was suggested to THE FINANCIAL POST that not only should bank stocks be prohibited as a form of investment for pension funds but also any or all of the securities of subsidiary enterprises, such, for instance, as the bonds of the realty concerns which cover the holdings of bank property. It might too be a wise measure to insist that a yearly accounting of all pension funds be made to the contributing bank officers, whether or not these funds have yet been put upon a definite actuarial basis. Obviously, of course, the younger banks have not had their pension funds in operation long enough for them to stand up under an actuarial test, but in these instances it might tend to "clear the atmosphere" for the bank's workers if, by means of a yearly balance sheet, they were able clearly to vision the progress of their funds, and fully to realize the extent to which the bank out of profits was building for their future.

Bank officers are given no option, if they are members of the permanent staff, in their payments into pension fund. Usually there is a rule which allows for a return of a portion of the total contribution should an officer quit the service of the bank before he is eligible for pension.

More Cheap Money Will Not Solve Problems of the Western Farmers

The argument that the fundamental trouble in Western Canada to-day is not a shortage of capital but a shortage of sound credit upon which further capital can be advanced has been previously expressed in these columns. I am gratified, therefore, to find that this same view is held in Western Canada by such close students of the situation as C. W. Peterson, editor of the Farm and Ranch Review, Calgary. In the following article Mr. Peterson discusses the agricultural situation in the West taking the ground that the way out is by hard work and thrift and that railing against the banks will do little good.—J.W.T.

Drastic resolutions bearing on Candian banking facilities with special reference to the rural borrower, have been passed by agrarian bodies in convention with more or less regularity and after much acrimonious discussion. There is perhaps no subject that looms up larger at present in the rural mind, than the relations between the bank and the farmer. The Government of Alberta has been urged to organize a provincial bank. As this recommendation comes from the recent U. F. O. convention, it will necessarily place the farmer government of Alberta in a very uncomfortable position to have to refuse such a demand, arising from the rank and file of its own supporters. Boiled down to essentials, the question is: (1) whether Canadian banks have acually given the best possible services to rural borrowers; (2) whether a provincial or any other banking system, could improve such service, and (3) to what extent bank services generally are essential to the agricultural industry.

A Banker's Opinion

I hold no brief for our chartered banks, and have no ambition and no qualification to act as their apologist. But the common sense aspect of things has an irresistible appeal to me.

Western borrowings largely exceed Western deposits. It is, consequently, obvious, that no provincial bank could hope to assume the volume of domestic loans our present banks can easily handle by drawing on their Eastern deposits. On the subject of lowering interest rates, it is significant, that the entire prairie business of the four largest banks is, and has always been, conducted at a heavy annual loss. They are presumably looking to the future for profits. A provincial bank, therefore, does not appear to be a feasible remedy if, indeed, our object is to obtain the use of additional funds, or lower interest rates. The proposal to issue paper money, so eloquently placed before the recent U. F. O. convention, is too preposterous to even discuss. Any person who is so blind, economically, as not to learn by the experiences of Europe in this field of endeavor, is absolutely beyond rational argument.

The Paper Money Fallacy

The editor of a leading Winnipeg paper, discussing the paper money fallacy, dwelled on the persistence of the operation of economic law in the face of attempts by nations to evade it. As a notable example he cited the paper money of the French revolution. With its armies all powerful, France could win general renown throughout the world and make Napoleon an emperor, but it could impart no value to its paper assignats. Turning to Russia, there had been seen an attempt to put into effect theories and ideas having at their root the idea that the state could evade economic law, and the government had ignored age-long experience. The result had been the utter demoralization of paper money to a point where values ceased to exist. In Germany the paper mark had depreciated until the people got money, not to save, but to spend, so that they engage in a mad rush to get goods in exchange for tokens, which in a few hours may depreciate to a point where the holder loses all. However, all argument is lost upon men who cannot see this for themselves, with the present experience of Europe staring them in the face.

The Demagogue Leader

This gifted speaker also deeply deplored the general ignorance of the average voter of economic law and the general cowardice of statesmen and leaders who make their policies conform to this ignorance when moral sense demands they should say. "This thing cannot be done." If our leaders and public men had the backbone to tell the truth to the public, we might be able to make some progress in straight and sound thinking. But the curse of the present generation is. that there are too many demagogues in responsible places. That the time of the Calgary convention should have been wasted on such twaddle is simply criminal and furnishes an excellent case in point. It is not to be supposed—at least, I cannot bring myself to such a supposition—that the various leaders present there. members of parliament and members of the legislature, were so appallingly ignorant of fundamental economic law. that they were not laughing inwardly at the excited exponents of the "new thought" in banking. Here was an opportunity for some effective educational work. But the "reds" applauded and some backbone was needed to utter words of sense and of warning. Needless to say they were not forthcoming from the leaders. but from the saner element in the audience, who were not looking for votes

I am not in possession of the actual totals covering the whole of Western Canada, but from figures dealing with isolated districts of the West, which were communicated to me by a Winnipeg banker some time ago, I am absolutely convinced, that the total of these frozen loans for the three prairie provinces is enormous, in fact, appalling. I am also convinced, that were these frozen and doubtful assets now held by a system of provincial banks, such institutions would be hopelessly insolvent this very minute. We would, in fact, have before us a repetition of the notorious North Dakota experiment along similar lines, which ended in complete and dire disaster and nearly ruined the state financially. The Western provinces are at present loaded down with a volume of liabilities, which have necessitated a rate of taxation almost unbearable. Let us get clearly into our minds, that these impoverished provinces are in no position either to finance the farmer, or to enter into any speculative adventure such as suggested.

Transferring Our Over-Draft

The farmer who is in the fortunate position of not having exhausted his bank credit—and there are more farmers in this class than many of us realize, generally has no particular grievance against the present system. The complaints naturally come from the unfortunate victims of adverse conditions, who, having borrowed up to the safe banking limit and beyond it, require still more money to carry on. They are generally, though not always, deserving of every sympathy, but they are not legitimate banking risks in any sense of the word. And yet most of the banks will risk further advances to thousands of these men rather than see them fall. If the immediate object of a provincial bank is to finance these people, good, bad and indifferent—or in other words, to advance money without proper security—then, such an institution would be on a dangerously unsound and speculative basis. It is highly conceivable, that, if provincial banks were formed, which would at once take over all these frozen and risky accounts, the present banks would heave a sigh of relief.

Is Banking Accommodation Essential?

But why all this agitation about banks and banking? When I farmed in the West in the early days—and it was hard sledding, too—I never went near a bank. I kept a bit of cash in the bureau drawer, and had credit in my store and implement house for necessary supplies. The bank meant absolutely nothing in my young life. If any one in the settlement had paid a debt by cheque, there would have been a riot. Such documents were unknown. When I first settled in Alberta, years afterwards, there were no banking offices of any sort throughout the well-settled country lying between Calgary and Edmonton. And, notwithstanding this, the farmers seemed perfectly happy and contented. There might have been a great void in their lives, but they certainly were not conscious of it. And now we are trying to make ourselves believe that banking facilities are the most essential requirement of the agricultural industry, and that our very economic salvation depends on the particular brand of banks we do, or would like to do, business with.

The Price of Easy Credit

The experience of recent years, however, leads me to an entirely different conclusion. The prosperous days and easy credit prior to 1917 led the Western farmer into unwise expansion and extravagant business habits. Broadly speaking, such is unquestionably the case and the banks must shoulder their share of the responsibility. We would all have been vastly better off, and much happier, to-day if bank accommodation and all other forms of credit had, at that time, been flatly and arbitrarily withdrawn. Will anyone question that bald assertion? We are in the hole now, owing much more money to the banks than we have any license to, having regard to our assets and peace of mind. The only remedy seems to be to worry through the best we can, or, if we can't, just go broke like good sports, and start life all over again, sadder but wiser men, always, however, having in the back of our heads the firm and fixed determination never to borrow again so that we may never "go broke" again.

The New Reformation

It strikes me very forcibly, that what we want from now on is not different banks or more banks and more credit, but the exact opposite. Whatever money we owe now we must repay as best we can and then, instead of reforming the banks we must tackle the much less spectacular and exhilarating job of reforming ourselves away from leaning on money lenders, but to pay as we go and not to rush head over heels into debt—to banks or anyone else—even though a plausible and persuasive gentleman has something to sell and is willing to give us credit. Our present problem is not to create a new kind of bank, but to stave off payment of what we owe to the old kind of bank, until better times come and we can produce the wherewithal to pay and get a little ahead for the rainy day. We should then visit a quiet, secluded spot and vigorously proceed to formulate good resolutions for our own future guidance on the subject of debt. The moral of all this is, of course, that to those who have no pressing bank liability, there is no pressing banking problem. So let us all pull together and get rid of it. No fancy legislation is necessary.

BLUE RUIN TALK WILL FRIGHTEN AWAY BRITISH AND U.S. CAPITAL

(Continued from Page 1)

It is folly to say that Canada cannot support more than 9,000,000 people. It is folly to say that 9,000,000 people can support Canada. We have room for millions more and need these millions. The factories as well as the farms need men. There is no surplus labor supply in Canada. The United States is learning now the lesson of reducing labor supply below normal. The big steel mills of Pennsylvania and the textile mills of New England cannot find sufficient labor at home. Wages have risen so rapidly as to create a certain degree of inflation. This is chiefly due to restrictive immigration laws. Canada has suffered as a result of the United States' plan of reducing immigration. The demand for labor has not been met from the usual European sources. Canadian workmen have been tempted by the inflated wages prevailing across the line and the drain from Canada has been great. Our present immigration is not sufficient to replace this drain. If only to meet the losses Canada needs a vigorous immigration policy; not a policy built on the pessimism of the farmer and the fear of the workingman.

Sir Henry Thornton says that if Canada gets capital the immigrants will follow. But Canada will get, neither capital nor people unless it stops talking blue ruin for political purposes; until it advertises Canada's roses as well as its thorns—for the roses are here and they are bigger than the thorns.

As a preliminary the Dominion government might decide that Canada needs people—any rugged, honest race of people who will pioneer as our forefathers did—and it might then go after those people regardless of the opinions of narrow-minded minorities. As a second step the provincial governments might review their methods of developing their resources to see if every proper encouragement is given to individual initiative and to private capital to undertake their realization. And every private individual might take an inventory of his friends and find out if the number of those who have made good in Canada does not outnumber a hundred to one the few who have grasped for too much and too quickly and have stumbled.

Nearly 4,000 Farmers Hold Stock in Banks

Nearly four thousand persons, designated as farmers, ranchers and fruit growers in Canada, were registered as shareholders in Canadian chartered banks in 1922, according to a report brought down in the House recently by the Minister of Finance. The number of farmer shareholders, by provinces, was as follows: Alberta, 216; British Columbia, 93; Manitoba, 830; New Brunswick, 65; Nova Scotia, 245; Ontario, 1,188; Prince Edward Island, 38; Quebec, 465, and Saskatchewan, 747.

To Leave the Banking Business for Banks

Because, according to figures compiled by Chief Inspector Cowley, the penny banks in the public schools of Toronto are costing $23,358 per year in time for their operation, the Board of Education is considering their abolition. It is also felt that, with savings banks on almost every important corner in the city, the school banks are something of a superfluity.

Mr. Cowley figures the cost thus: Collecting deposits, time equal to 70 days per week, or 2,800 days per year, $16,839; counting money, 14½ days per week or 570 days per year, $4,319; posting ledgers, $1,200, and supplies, $1,000. This is some of the work now occupying the time of principals and their assistants, recommended against in the recent report on the rearrangement of the work of these officials issued by the chief inspector.

ALBERTA'S DEFICIT

Although there has been a substantial paring down of expenditures in many lines, particularly in contemplated capital expenditure, the United Farmers of Alberta Government Budget presented in the Legislature estimates a deficit on operations this year of $1,016,239.15. This will make the deficit at least $5,000,000 for the last three years.

Royal

Earle Tower, of the Royal Bank at Moncton, has been transferred to St. John's, Nfld.

Dominion

W. E. Glenney, manager of the Hespeler branch of the Dominion Bank, has been transferred to the Huntsville branch.

Commerce

Robert Gibson, manager of the Cobalt branch of the Bank of Commerce, has been transferred to the branch at Balmy Beach, Toronto.

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TORONTO, MARCH 30, 1923

DIFFERENT WHEN YOU ARE IN POWER

THE remarkable thing about the farmer governments in the Western provinces is that they are not pandering to the farmers to the extent that the old line parties previously pandered to the same farmers. Altogether the tendency under the agricultural regime has been in the direction of sound and stable legislation in the face of demands for all sorts of experiments.

The reason for this condition of legislative affairs is evident when the situation is analyzed. Under the two-party system the old-line politicians bid against each other for the farmer vote. The price was usually high, and the province as a whole paid the shot. Now that the farmers are in power it is different. Block leaders, who made unreasonable demands upon the former dominant parties, now find that they are in positions of public responsibility and realize that it is not in the public interest to do the things which they demanded of other governments.

Whether or not the Farmer political party will continue as a permanent factor in public affairs, or whether there will be a realignment and a return to some kind of two-party system, is problematical, but there can be no doubt about the educational advantage to the farmers and their leaders of their actual experience in running public affairs.

STEEL AN ECONOMIC WASTER

WHILE public attention is largely centred on the losses to unfortunate individuals through the collapse of the bubble projects of L. R. Steel, there is another side to the failure which affects the community as a whole in an economic way and which should have the serious attention of legislators. We refer to the dissipation of millions in capital, a loss not only bearing directly upon the available supply but exercising an influence over the whole investment situation.

Steel's high pressure salesmen secured about $10,000,000 by inducing people who could not afford to speculate to draw on their bank savings or dispose of government or other bonds. This money, accumulated by hard work and thrift, was being employed to finance the nation or facilitate trade and commerce. Now it has been frittered away—lost through inefficient merchandising, the inflation of real estate, timber limits, sugar plantations, coal mines, etc., or spent by easy-come easy-go stock salesmen. And not only is the money lost, but that thrift by which it was accumulated has been discouraged.

We have no argument with those who say that Steel was sincere. He, perhaps, did believe that he could make money for those who invested with him. He started with a sound idea but lost his head when he got millions instead of thousands. That he did not mean to bring ruin to thousands of people by taking their savings to finance his visionary schemes makes little difference. People must learn to protect themselves against these roseate propositions. The only way that future Steels can be prevented from doing the same thing is by educating the people to the rudiments of investing so that they will realize for themselves that get-rich-quick schemes are to be shunned, by intelligent publicity on the part of the stable financial and industrial institutions, and by the passing and enforcement of intelligent legislation to insure that even when speculative ventures are justified the investors shall be under no misapprehensions as to what they are doing.

DIRECTORS WHO DO NOT DIRECT

RECENTLY the director of a Canadian financial institution had his attention called to a serious impairment of the capital of his company, an impairment that did not show in the published reports of the company but was indicated in government blue books. He was told that the company was carrying certain assets on its books at far over their market value. The director readily admitted to his informant that this was the first intimation he had received of the situation. He said that he was a director but seldom bothered with the company.

At the present time there are negotiations for the merger of a group of companies in a certain industry. Information concerning the agreements being entered into was sought from one of the directors. "I don't know a thing about it," he frankly admitted. "I think the president has arranged something but he never called a meeting of the directors and never told us what was up." This director, as might be guessed, has no large financial interest in the company but is on the board merely as the representative of a certain group of bond holders. How well he represents them is easy to judge.

There have been numerous cases of concerns failing, with severe losses to shareholders, where directors have excused themselves on the ground of ignorance of the true condition of the company. They did not know that the company was getting in a bad way, but relied on the manager. They had so many interests they could not be expected to keep their fingers on every pulsing artery of the company's operations. Such have been the excuses offered. As recently as during the past year the president of one of Canada's largest institutions asked to be relieved of blame for a catastrophe that came about, on the ground that he was not aware of the severity of losses that had been suffered.

Directors must direct or assume full responsibility for the consequences of their lack of attention. If they lend their names to corporations for use in filling out the directorate list, they should attend the directors' meetings; and if they attend they should demand and get full information on every phase of the company's operations, studying policies rather than perfunctorily giving assent to every proposition laid before them. This duty they owe to the shareholders whom they represent.

The amendment to the Bank Act, that the annual report give a record of the roll-call of each meeting of directors so that the shareholders may judge as to how their appointees are discharging their responsibility, provides a suggestion which might well be adopted by other financial and industrial institutions.

NOT WANTED IN CANADA

WILLIAM Z. FOSTER, whose indictment for criminal libel and for seditious utterances has made him notorious throughout the United States, and who is expected to be the top liner at the May Day demonstration of the steel workers at Sydney, has recently been advocating Sovietism in Minneapolis. Foster, who is editor of the Labor Herald at Chicago, was a leader in the steel strike in 1919 and is generally prominent in radical movements. One case against him, resulting from the convention of the Communist party in a Michigan woods last August, is now in the court. In the meantime Foster is out on bail and doing his bit to help spread propaganda for the sovietizing of North America.

Foster is a supporter of the red labor international and has endeavored to force his principles on the American labor unions. There are converts to this red religion among the steel workers at Sydney whose idea is to supplant the present capitalist government with a soviet government and to take from the capitalists the control and ownership of the raw materials and machinery of production so that collective ownership may be established.

If Foster succeeds in widening the breach between capital and labor in the maritime steel industry he will go home happy. Canadian labor stands to gain nothing by his visit.

FOR CHEAP NIAGARA POWER

WHAT would you think of a banker who allowed a million dollars a day of real money to be thrown into the fire, or an oil man who allowed a million dollars' worth of oil to be burnt up every day because he was not ready to barrel it? These were questions asked by T. Kennard Thomson, consulting engineer, New York, in broadcasting, through the courtesy of the American Telephone & Telegraph Company, his project for Niagara Falls Junior to develop power on the Niagara River. Mr. Thomson's idea is not a new one to readers of THE FINANCIAL POST. He proposes not only to dam the Niagara River but to tunnel Goat Island, thus getting the maximum of power from the river by creating a new fall as well as utilizing the present one.

In the carrying out of Mr. Thomson's scheme, the Chippawa development of Sir Adam Beck and the Ontario Hydro Commission would be dispensed with. This would mean the scrapping of a hundred-million-dollar project, but Mr. Thomson says that eventually this will have to come in order that the cause for cheap power shall be served to the extent of developing the maximum of Niagara's energy.

Interest in Mr. Thomson's scheme for development of Niagara is greatly increased by the revelations regarding the Chippawa development before the Gregory Commission—revelations which indicate that the canal idea has resulted in power for Ontario at a cost which promises to make Beck's project a burden rather than a boon to industrial development in this province.

AUSTRIA SEES A BREAK IN THE CLOUDS

THE Austrian budget which was lately discussed before the National Assembly furnishes a striking example of the efforts put forth by Austria since the agreement arrived at at Geneva and of the value of the moral factor in the life and conduct of a nation, says the Paris Cablogramme.

It will be remembered that the League of Nations stipulated as a condition of international financial aid that Austria should place her financial system on a sane and stable basis and allowed the Viennese government two years to wipe out the large deficit in its budget.

Up till that time Austria had been rushing headlong in the midst of economic chaos to utter ruin. Every day her financial, industrial and commercial life was becoming more and more involved in disaster.

The action of the League and the mere prospect of a better future have sufficed to restore to the Austrian people that confidence in themselves which was lacking. Without waiting for the actual credits, they have buckled to and made the sacrifices necessary for their regeneration and to justify the interest Europe has shown in them.

The placing of the loans is now assured, but Austria has not yet received the smallest advance on account of them. Notwithstanding this, however, the deficit in the budget has, in the first three months following the Geneva agreement, been reduced by no less than fifty-five per cent. Official salaries have been reduced by something like forty per cent. and new bases of taxation have been arranged, with the result that from November, 1922, to February, 1923, receipts have been increased by 50 per cent.

No doubt the stabilization of the crown has been largely responsible for the improved state of affairs, but it must not be forgotten that this stabilization is the result of internal financial reforms.

It is in any case a striking instance of how a conquered people, maimed and practically ruined, have been able to make the effort necessary for their own recovery, their sole support being the promise of assistance and co-operation they received from the victors.

EDITORIAL NOTES

THE NEWS despatches tell of the closing of two banks in Chicago by the State Examiner. Another indication that government inspection does not prevent bank failures.

* * * *

ACCORDING TO Professor McGibbon, who investigated banking conditions in Alberta for the provincial government, the loans to farmers in 1921 were about $113,000,000, or about double the deposits of $61,000,000. These figures comprise a basic argument against the establishment of a government bank because it could not find the funds in the province to meet the loans which would be demanded.

* * * *

PUBLIC ENDORSATION of the views of Sir Clifford Sifton as to the dangers of confiscatory legislation, such as has been in evidence in some of the provinces, has been given by Andrew Kelly, president of the Western Canada Flour Mills in his letter in THE FINANCIAL POST published last week. It requires courage to call for fair dealing for capital and the maintenance of the rights of the individual when so many of the popular newspapers are supporting all sorts of socialistic ideas to gain the plaudits of the mob.

* * * *

A GUELPH business man has been challenging Trade Commissioner Ward of Singapore on a statement made during a recent visit to the Royal city that the shipping trade of Singapore was the sixth largest in the world. The business man quotes the World Almanac, which puts Singapore 13th in the list. Government trade commissioners should be careful of their statements. They must expect that if they exaggerate on points on which they can be checked up, then their other statements will be discounted.

The New Generation on the Farm

By EDWIN NEWSOME.
Lecturer, Farm, Mechanics, Consulting, Sanitary and Heating Engineer.

To meet boys and girls, many of whom have gotten up at a very early hour, gone out into barns, cow byres, etc., then breakfasted and driven from 3 to 8 miles every morning, spending the day from 9.30 to 4 attending lectures on all manner of subjects, has for a period of three months, been the experience of the writer and with what results? With what thoughts? In a nutshell let it be stated that these boys and girls are going to be a factor to be reckoned with by the industrial world.

These farmer boys and girls have brains. They have the power to think in such a manner as will not only compare favorably with city bred boys and girls, but actually excel. I have seen, I have heard, I have talked with these hundreds of boys and girls, the sons and daughters of farmers. I have not been contented with lecturing to these young folk in the different lecture halls situated in eight different counties in Ontario, but I have visited the farms, the homes of these rising farmers and farmer-wives-to-be. I know whereof I speak.

A Healthy Progressive Spirit

Let me first say that the subjects upon which I lectured were: "Farm Mechanics," "Rural Sanitation," "Water supply and sewage disposal systems." The equipment I had comprised many tools, such as would enable a lad to make all manner of repairs in wood and metal, cutting mitres, repairing belt, splicing rope, soldering all kinds of metals and keeping tools in good working order. The boys picked up the work in an amazingly short time. Many lads drove home mules in the evening, brought things in to the lecture hall and made repairs themselves after chores were done.

These boys and girls are not by any means content with a lot which on the face of conditions appears to be subservient to industrial pursuits. They are beginning to realize that if there is one industry which is more important than another it is the farming industry. These boys and girls are endeavoring to fit themselves with such knowledge as will put farming on a proper scientific, healthy basis.

Viewing the question from the point most closely relating to the lectures I had to give, I concluded that first of all these coming farmers are going to do work on the farm hitherto never attempted. They are going to buy full kits of tools, valued say up to $250. They are going to buy farm implements less frequently. How? By keeping those they have in a better state of repair and with the money they thus save, new equipment can be secured to increase the farm output and modern conveniences installed in the home.

With city conveniences sons and daughters will stay at home, and will when their time comes take up farming instead of helping to swell the population of the large towns and cities. There can be no question about the fact that the secret of a nation's greatness, a nation's happiness and true prosperity depends largely upon happy, prosperous and contented farmers.

Mixing with both old and young as I have done for over three months leads me to believe that the farmer is from now on going to buy just those things that mean a larger degree of happiness and convenience in his home life. He will become a clearer thinker in his comfortable home. He is even now thinking of higher prices of wheat or other goods he produces only insofar as it affects his ability to buy essential things. Don't say for a moment that the rising generation of farmers long after city life; they long for a variation of occupation.

And this is why I believe that the subjects I lectured upon are going to help to no small degree the establishing of contentment in the mind of the farmer. He has not been given a chance to learn applied mechanical science. He has had to leave school and follow a plow or harrow at too early an age.

And now, let me relate four cases in particular. Two farmers in Wentworth county own and operate about 800 acres. There is a fairly large timber lot on each farm, mostly sugar bush. In one farm there are 6 sons and 3 daughters, all happy. They have city conveniences in the home. In the other 3 sons and 6 daughters living under same healthy conditions doing well, all going to marry either sons or daughters of farmers. Of those two families 6 attended the short courses.

Another farmer has two sons and two daughters. The two sons attended the short courses. One daughter is graduating a nurse and she vows that she will go around ministering to the needs of her less fortunate sister farmers' wives and wives-to-be, the other daughter is going to school. This farmer has just completed a home and plans to install plumbing, bathroom, hot and cold water. He operates about 160 acres. The lads do all the chores they can before coming to the lectures and off at night to do the evening work on the farm. And the grim determination of those lads to make good is splendid.

The last of the four cases to relate is, sad to say, not as encouraging. A young farmer about 30 years of age, a young wife 26 years of age, four children, one a few months old, live in a home without necessary conveniences. Yet on that farm is situated a fine barn, cow byres, milking machines, etc. The water supply is operated with a gasoline engine. The land, about 640 acres, is less than a third under cultivation—and he owns a car. This man has been oversold on farm equipment and undersold on home comforts and what is the mental attitude of this man and his wife? The example is discouraging others well able to buy equipment they could use to good advantage.

The Short Course Students will become modern farmers. They will view things in a different light. They will be a power to be reckoned with and in not too distant a date. They will be better able to look after their repair work, do it themselves. Being taught how to use tools, they will develop a bigger buying power for those things which go to make life on the farm more interesting. I firmly believe therefore that the manufacture of tools, of modern farm appliances, of sanitary and heating fixtures, etc., should pay more attention to the farmer and his needs.

More German Propaganda

Since the French occupation of the Ruhr, scarcely a day has passed in which reputable newspapers in Toronto and other parts of Canada have not published in one form or another "opinionative" items of "news" emanating presumably from their correspondents but in reality from German sources. THE FINANCIAL POST has, since the armistice, continually warned its readers against being misled by propaganda of this kind which has without cessation been foisted upon the Canadian press. Apparently even our best dailies are unable to distinguish it from genuine news.

One of the latest instances in connection with the Ruhr events is the story of the misgivings which are supposed to be troubling the minds of English manufacturers, who, we are told, see France gaining control of practically the whole of the continental iron industry to the detriment of Britain's trade.

Our French financial contemporary, the Paris Cablogramme, exposes the source of this cause for alarm in an article which, translated, reads as follows:

German propaganda is very active. This is a fact we must recognize. It is of two kinds; the first, intended for home consumption, plays up national sentiment in order to justify the uncompromising attitude of the Berlin Government. The other, for foreign consumption, with a studied show of moderation, seeks to cultivate at New York, Rome, London, and in other countries which have business dealings with the Reich, an atmosphere favorable to the idea, either of intervention in favor of Germany or of an effective opposition to the Franco-Belgian action.

No doubt, Chancellor Cuno, who has already been knocking at all doors, has satisfied himself of the impossibility of obtaining the official support of America or of Great Britain, but he does not despair of influencing public opinion in these countries to exercise certain pressure on their governments.

The 'Frankfort Gazette" publishes a long letter from its London correspondent and explains, according to its own ideas, the feeling in England with regard to "the aims which France is pursuing in the Ruhr."

The title itself is sufficient to indicate the tendency of the articles: "Why is France Occupying the Ruhr?" And it sets out to explain the secret aims of the French Government as contrasted with its officially proclaimed aims and thus to create a feeling of suspicion or distrust in the mind of Great Britain.

The "Frankfort Gazette" admits that opinion in England is not united as to the reasons determining this occupation. It declares, however, that if the French Government seeks to separate, either economically or politically, the Rhine district and the Ruhr from the rest of Germany it will have the whole of England against it. In the Gazette's own opinion, co-operation between the German coke interests and the mineral producers of Lorraine would be in no way inimical to British interests if it were effected on a basis of reciprocity and of absolute equality. England would only oppose it if it were being made a cloak to conceal exclusive French control. Up to the present it has not suspected any such design on the part of France, especially as it is satisfied that German industry will not allow itself to be "gotten the better of."

If then, as the French Government contends, the occupation has the sole aim of breaking Germany's industrial resistance on the question of reparations, England can only rejoice in its success provided that is not purchased at the cost of an economic disaster.

But, continues the Gazette insidiously, the successive phases of the occupation have opened the eyes of a large number of Englishmen. They are beginning to ask whether France has really no ulterior motives other than the idea of solving the reparations question, and **what will happen if Germany is obliged to yield.**

It will be recognized at once how cleverly this crafty statement is formulated in its objective form.

The great Rhenish journal then goes on to urge "positive" action on the part of England, and calls upon Ramsay Macdonald, whose Germanophile attitude before, during, and after the war is a matter of common knowledge, to suggest the idea of an "economic agreement." Of course, prudently adds the Gazette, an economic Anglo-German co-operation could only be brought about by private action, but the events of the Ruhr and the dangers with which that occupation threatens England furnish an excellent occasion to institute such a program.

And to better justify the occasion for such suggestion the German organ adds: "England is not a very active nation. Her life continues to function by the force acquired during the course of centuries, but she will be in urgent need of German initiative to develop and realize her aims in a profitable manner."

Will London rise to this tempting bait?

Most of us have read in the daily newspapers of an incident related as typical of the brutality of the French soldiery, of the shooting down of a small child in the Ruhr district and of the indignation caused thereby throughout Germany. Here is the incident as reported by a Paris daily of February 5:

A distressing accident from every point of view occurred at Dusseldorf in the Bilck station. An army service corps detachment commanded by a corporal were carrying soup to the men on duty at the station. In descending a staircase the corporal slipped and fell to the bottom of the steps. In falling his rifle caught and went off, the bullet killing a small girl who was in front of the station and wounding one of her little comrades. The corporal was so overcome with grief at the accident of which he was the involuntary cause that he tried to commit suicide. The military authorities did all in their power to show their sympathy with the family of the poor child.

Little Unemployment Throughout Canada Now

The trend of employment as reflected in reports from employers of labor to the Dominion Bureau of Statistics, was favorable at the beginning of March, although the movement was not pronounced. Returns were received from 6,387 firms with an aggregate working force of 743,128 persons as compared with 741,511 on February 1. The index number, therefore, rose slightly from 89.5 on the latter date to 89.9 for the period being surveyed. Varying conditions were indicated in different industries; manufacturing generally was decidedly more active than at the beginning of the preceding month, but contractions continued to be recorded in transportation, construction and trade. The commencement of seasonal slackness in logging camps, moreover, affected a large number of workers and coal mining showed considerable losses.

IMPORTS FROM U. S. INCREASE

Canadian imports of American merchandise increased over $16,000,000 in the month of January as compared with January, 1922, according to figures compiled by the Department of Commerce at Washington. These figures show January exports to Canada at $48,907,000, compared with $32,606,000 in 1922, while for the seven months ending with January, the total was $377,558,000, compared with $329,991,000 for the corresponding period of the preceding year.

Personals

A. J. ROBERTS, who since last April has been district manager at Melfort, Sask., for the Northwestern Life Co., has now been promoted to the managership of Northern Saskatchewan with headquarters at Saskatoon.

SIR CHARLES GORDON has been elected to the board of the Montreal Locomotive Works. Sir Charles is vice-president of the Bank of Montreal, president of the Dominion Textile Company and is on the board of a large number of other financial and industrial institutions.

WILBERT HOOEY, who died in Toronto recently was formerly a manufacturer, having founded the Eureka Refrigerator Co., which was later sold to Keenan Bros. of Owen Sound. He lived in Toronto 40 years and for 30 years was engaged in the manufacture of refrigerators.

P. G. LEANEY, who has been appointed manager for the city of Winnipeg of the Monarch Life Assurance Company has for more than eight years been associated with the Metropolitan Life as manager at Brandon, Calgary and Winnipeg. His entire business career has been devoted to the profession of Life Insurance in Canada as well as in England.

LT.-COL. F. BUCKLEY, has been appointed minister of the Overseas Trade Department of the British Government which at the end of this month will be represented by four offices in Canada, one each at Montreal, Toronto, Winnipeg and Vancouver. The first office was established in Montreal in 1907, two more in 1918, and the Vancouver office this year. Previous ministers of the Overseas Trade Department include Sir Hamar Greenwood, Sir Arthur Steel Maitland, and Sir Phillip Lloyd Greame now president of the British Government's Board of Trade.

WILLIAM RALPH MEREDITH, the young London lawyer who passed away suddenly recently, leaves but one of the famous Merediths still at the practice of law. That is T. G. Meredith, the city solicitor of London. There are still two members of the family on the bench. W. R. Meredith was the son of Edmund, who died a year or so ago and who achieved Dominion-wide fame as a criminal lawyer. His son followed in his father's footsteps and of late has been handling a number of noted criminal defences, notably the Dibsdale murder case at London and the defence of the Wyoming bank robbers. He was born in London 44 years ago, was a graduate of Toronto University and Osgoode Hall. In his student days he was a star rugby player. His only sister, Miss Mary Meredith, resided with him at the family residence, and he is also survived by two brothers, Edmund, of Toronto, and John, of Buffalo. Mr. Meredith was a nephew of Sir Vincent Meredith, president of the Bank of Montreal; Chief Justice Sir William Ralph Meredith, and City Solicitor T. G. Meredith, K.C., of London. He was a director of the London and Western Trusts Company and an officer of the London Hunt and Country Club.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CAMAGUEY BONDS

D. M., Nova Scotia.—Give me your opinion of Camaguey first mortgage bonds 6½% at 99.

The Camaguey first mortgage bonds are of course in a different class. There are a fewer number of the bonds and they are not in as well established a market, but they may be approached with confidence by the investor.

HOLLINGER MINES

Subscriber, River John.—What is your opinion of Hollinger Gold Mines at 13.50?

Hollinger paid 3 per cent. dividend in 1917 when the present company came into operation, 5 per cent. in 1918, 7 per cent. in 1919, 9 per cent. in 1920, and 13 per cent. in 1921. The same rate is being continued at the present time but further announcement regarding increase in dividends may be expected in time.

C. P. R. DEBENTURE STOCK

Reader, Bridgetown.—Would like your opinion of Canadian Pacific Railway 4% debenture stock.

Canadian Pacific Railway four per cent. debenture stock is quoted at about 79 in London and the £577 would thus have a value of $2,200. A good market for this security has developed in New York City and other American financial centres and it may be regarded as an excellent investment and the future of this need give you no cause for worry.

ST. MAURICE BONDS

Reader, Nova Scotia.—Would like your opinion of St. Maurice 6½% bonds at 102.

St. Maurice 6½ per cent. bonds are a thoroughly sound investment. At this figure they are two points above the price at which they were originally offered some six weeks ago. This has been due to the strengthening of the New York bond market. This is not a security that is likely to show any great enhancement in value, but as a safe investment returning a fair yield is satisfactory.

LION MEAD TIRE

L. S., Ottawa.—Will you kindly give me any information you have concerning the Lion Mead Tire Company, whose office and factory are in Hull, Que. Is their stock of a speculative nature?

The Lion Mead Tire Company is capitalized at $2,500,000 and operates a factory at Hull, Que. THE FINANCIAL POST has advised against the purchase of stock in the company except as a speculation. It will be a long time before it will be on a dividend basis. You might experience difficulty should you desire to sell your stock. Moreover, the company is entering a field where competition is extremely keen.

ROYAL BANK

D. M., Nova Scotia.—Would like your opinion of the stock of the Royal Bank at 216.

The Royal Bank ranks among the largest and most progressive of Canadian banking institutions. At $216 the stock returns about 6½ per cent. if we include the 2 per cent. bonus that has been paid in the past. This in itself is a fair yield, but undoubtedly the present price discounts expansion to some extent. Always in purchasing a bank stock even one of the soundest banks, it is essential that an investor consider the fact that he is assuming the double liability clause.

STEEL OF CANADA

Reader, River John.—Please give me your opinion of Steel of Canada common at 74, as an investment?

Steel of Canada as you observed improved its earnings last year but did not earn the full amount of the dividend upon the common shares. The stock has some speculative features but there is a very apparent improvement in the steel industry generally and the Steel Co. of Canada is known to have been given good sized orders by the railway companies. We would hardly suggest its purchase by you. however, if you are keeping in mind the safety of principle as a prime consideration.

MONTREAL POWER

Reader, Nova Scotia.—Would like your opinion of Montreal Light, Heat & Power Consolidated at 114.

Montreal Light, Heat & Power Consolidated at $114 is close to the very high level, but the price is justified by the increased earnings of the corporation. In every year of this organization the company has put a large part of its profits into extension and has built up a property that is regarded as one of the finest public utility enterprises on the Continent. The stock has undoubtedly excellent prospects for the investor who is ready to wait for the larger returns. The present dividend rate in itself does not warrant the stock selling at the present figures.

CANADIAN NATIONAL RAILWAY

R. M. W., Barbadoes.—I shall be obliged if you will give me as much information as possible on the Canadian Northern Railway guaranteed 1st mortgage 4% debenture stock purchased originally at 98⅞.

Canadian Northern Railway guaranteed first mortgage four per cent. debenture stock of the Saskatchewan and Alberta Divisions is quoted at about 81 in London and converting this into Canadian funds at the present rate of exchange the £1,000 represents present value of $3,300. The security may be regarded as first-class in every way and likely to appreciate in value both with a further enhancement in the quotations for the pound Sterling and with a lowering of interest rates.

HYDE PRODUCTION CO.

W. J. M., Ottawa. Would you kindly let us know of Hyde Products Ltd. This is one of the numerous promotions of Texas. They have an office in Toronto in charge of Mr. Seale.

Hyde Production Co. is a Texas oil concern with a capitalization of $3,000,000, shares par value $25. Seale & Co., 24 Adelaide St. West, Toronto, are offering a block of shares, the personal property of George Hyde, the organizer of the company, at $40, or $15 above par. Seale says that when the company was well developed and had assets nearly the value of the capitalization, the stock was issued. When the property, etc., was taken care of there remained 1,000,000 shares and these were purchased by Hyde at par. It is these shares that are now being sold.

Mr. Seale says the company has eight producing wells and a number of excellent leases, some of which are being drilled by other companies, payment to be made on a royalty basis. The company's production is now 1,200 barrels daily which is being sold at $2 a barrel. The properties are in the Damon Mond and W. Columbia fields. A small sum remains to be paid for the properties and then the company will own their own holdings outright. Two or three concerns are already paying the Hyde company a royalty on production from leases; this royalty is said to be one-eighth.

CANADIAN PACIFIC

Reader, Bridgetown.—I shall be very glad to have you advise me as to the present worth of Canadian Pacific Railway shares.

Canadian Pacific Railway shares are now about 147 in New York and the 65 shares that you hold are therefore worth about $9,750. Even during the difficult years of the war period, and after, the Company never failed to earn its full 10 per cent. dividend and something extra. It is unfortunate that in the purchase of these shares it was necessary for you to pay such a large average exchange premium, though with the normal rates of exchange now prevailing this extra price must be written down. It will probably be a long time before these shares will have the market value that will make them worth the actual cost to you, but you would nevertheless be very wise to hold the stock. As Canada grows the opportunities for the Canadian Pacific Railway also will grow.

SUCCESSION DUTIES

F. H. M., Montreal.—Can you tell me if succession duties and income tax must be paid upon the principal sum of an insurance policy taken out for protection of a partnership?

If the partnership, as such, pays the premiums on the insurance, we presume it will be the beneficiary on the death of the insured. No succession duties will be levied on the money paid by the insurance company to the partnership in satisfaction of the claim. However, succession duties will be levied on the share of the partnership, when dissolved by the insured's death, which goes to the insured heirs, as this is naturally part of his estate.

The partnership will not be allowed to deduct the amount of the insurance premiums, when making up its income tax returns. However, when the claim is paid, the money received by the partnership will be regarded as an accretion of capital, not as income; consequently it will not be subject to income tax.

MONTREAL TRAMS

D. M., Nova Scotia.—What is your opinion of Montreal Tramways common stock at 150?

Because of its contract with the City of Montreal, the Montreal Tramways Company is practically assured of its 10 per cent. dividend. At the price of $150, which you mention, the stock yields 6-2/3 per cent. and we would consider that future fluctuations are likely to be governed to some extent by the trend of interest rates. Taking the long range view interest rates are pretty certain to come down which would indicate some enhancement in the market value of this stock. It is hardly likely though that there will be any startling movement. The stock is one which should be stable and gradually improving. Montreal Tramways paid 2½ per cent. in 1918, 2½ per cent. in 1919 and 20 per cent. in 1920. This included 10 per cent. arrears. In 1921 15 per cent. was paid which also includes 5 per cent. in arrears, leaving at the end of 1921 2½ per cent. of dividends in arrears.

FEDERAL DISCOUNTS

Reader, River John.—Please give me your opinion of the preferred stock of the Federal Discount Corporation of Canada as an investment. Is the common stock of this company of any present value? Can this stock, preferred be sold at present? What are the prospects as to success of the company?

Whether or not you should purchase the stock of the Federal Discount Corporation depends to a large extent upon the price at which this is offered to you. Companies in a similar business have been quite successful in Canada and with good management there is no reason why this company should not be successful also. But the price of an investment is a very important factor, although one that is too seldom given consideration by investors. It would probably be safe to say that the common stock of this company represents little more than the organization, certain contracts and privileges and the future prospects. If you are being asked to pay par for the preferred stock and also an additional sum for the common stock this puts a different light upon the matter. It means that your interest return upon the preferred stock investment is not as high as you can get upon other good securities while the common stock will acquire a value only as the company succeeds and grows.

THACKERAY MINES

L. A. S., Brockville.—Would you give me some information re Thackeray Mines, Let. Are there any possibilities of it arriving at the producing stage in 1923?

The Thackeray Mines is a venture in mining properties. The company started in a small way and acquired a property here and there until finally they got a hold of seven claims in Kirkland Lake. Then it began to take on a serious mining aspect. These claims are in Lebel Township and are separated by one claim from the Continental Gold Mines and are said to give considerable promise. Developments surrounding them are steadily increasing their value. Operations at the present time consist in carrying out the assessment work, which is now 60% complete. There is an important northern mineralized zone passing over the Continental properties and it is also showing on the Thackeray and excellent values have been obtained from this body which shows a width of 12 feet on surface. You ask if the Thackeray will be a producer in 1923. Hardly. It is a prospect of great promise and it may be that the company will make a deal with some big company for control. This seems to shape up as the company's best prospect. In the meantime, Mr. Harrison has done some hard pioneer work in keeping the concern going.

SAGUENAY PULP

Reader, Cornwall.—What is your opinion of Saguenay Pulp preferred as a purchase?

Securities of Saguenay Pulp and Power Company are still somewhat speculative but the company is coming around to much improved circumstances. Its contracts with the Becker interests are favorable; the original contract covering ten years' sales was sufficient to wipe out the funded indebtedness and leave large amount available for dividends on the preferred. These contracts are all in the boiling pot again due to new financing of affiliated companies but it may be taken for granted that any new arrangements made will be equally satisfactory. Saguenay is one of a group of companies that are badly scrambled; now serious efforts are being made to unscramble the eggs. The new interests that are coming in are strong and capable. Every company in the group should benefit from the changes. These conditions make the outlook for the preferred stock brighter than it has ever been but the purchaser must keep in mind two considerations; first that the market for the stock is narrow at the present time with little trading and secondly that it is a "long pull" purchase and not one for an immediate speculative profit. Dividend accumulations on the preferred total nearly 24 per cent.

BINGO GOLD MINES

Inquirer, London.—Could you supply us with any data on Bingo Gold Mines?

The Bingo Gold Mines Company are located in Northern Manitoba and have a shaft down to a depth of about 200 feet. The vein on which the work has been done is narrow but very rich. Going down the shaft, the quartz in the vein proper is very persistent and averages about 8 inches, varying between 3 or 4 and 10 or 12 inches. Besides this there is some mineralized rock of value and some stringers of quartz which bring up the width. Sampling in the shaft showed an average width about 11 inches and in value something near $145 per ton. Unfortunately the surface is badly covered, but wherever it was available for sampling the values held up, indicating a great persistence in high values throughout the quartz. There are three or four other parallel similar veins within a distance of 60 or 75 feet of the shaft vein; these seem to carry the same values. They are smaller but of sufficient size to make them appreciable assets to the main vein. There is good reason for thinking that the veins will be fairly persistent in length and depth and some reason for believing that they will improve in size under the covered ground in one direction. Ore from the shaft returns about $75 per foot in sinking. As long as that kind of ore keeps showing in the underground workings, it is certainly worth while going on. The quartz on the dump convinces one of the richness of the ore.

GERMAN MARKS

P. C., Edmonton.—Will you please tell me what truth there is in the enclosed statement regarding German marks?

There has been nothing in the German financial situation to change our opinion that the German Mark is too speculative a purchase to be seriously considered. True the mark during February enhanced in value about two and a half times—that is from 50,000 marks to the dollar to 20,000 to the dollar—but to do so it practically lifted itself by its own boot straps. In any event this rise has entirely discounted the situation mentioned in the circular you enclose and at the present time the foreign exchange value of the entire outstanding German paper currency is approximately the same as the gold reserve of the Reichsbank.

Apparently the Reichsbank and German industrialists have been buying marks in foreign markets and have created an artificial scarcity abroad. At the same time fresh issues of paper money are being made in Germany at a rapid rate and these might again create a situation where the Germans themselves would lose their confidence in their own currency and buy foreign currencies again.

Conditions are far from normal and it is impossible to predict what may happen. We still feel, however, that the paper mark will eventually be adjusted on the basis of an entirely new currency and that there is little or no possibility of anything but gold marks acquiring even a substantial fraction of their former value.

CANADA STEAMSHIPS

M. F., Toronto.—I am the happy owner of a block of Canada Steamship Lines preferred. Would you kindly give me your opinion as to whether you consider it advisable to sell out now, or whether the likelihood is, that this stock will recover within a reasonable time?

You have undoubtedly seen the annual report for 1922 of the Canada Steamships. It indicated that the preferred dividend was not earned; in fact, the company fell about $1,500,000 short of earning it when the amounts written off leases, goodwill, etc., are taken into consideration. The balance sheet was reorganized still further this year and it is likely that this policy of squeezing false values out will be continued. It would probably be a wise policy for the company to wipe out such a doubtful item in the assets side of its balance sheet as bond discount and to substantially reduce the amount carried for good will, etc., and also to bring the profit and loss surplus back nearer to former dimensions before paying out liquid resources even in the form of preferred dividends. If this policy is carried out the preferred dividend may be long deferred. There is no doubt that the company has some very valuable properties and a very valuable business that sound management can make return handsome profits. But the company has not yet gotten out of the shadows though it would seem that progress is being made. If you are prepared for a patient wait while things shape themselves you are likely to benefit in the end with proper handling of the company's affairs.

DOMINION ALLOY STEEL CORPN.

E. W., Sherbrooke.—I would like to have your ideas on Dominion Alloy Steel Corp. Are its chances good as a speculation?

Dominion Alloy Steel is being sold on the unit basis. Ten shares of 8% cumulative convertible preferred and four shares of common for $120. The par value of both classes of stock is $10. The net to the company is $100 per unit which allows $20 commission. The capitalization is $7,500,000 preferred and a like amount of common stock.

William B. Boyd, an electrical engineer of some note, who, for some years past has been chief engineer of the McKenzie and Mann group of power and railway interests, as well as consulting engineer for many other companies, is the president of the new organization. There are some other strong men on the board and other names are yet to be added.

The company plans to erect a steel plant at Sarnia, just below the plant of the Imperial Oil. Its product will be an alloy steel. The plant will include both open hearth and electric furnaces, etc., and the company will have the use in Canada of the patents of C. Harold Wills. The latter, former chief engineer of the Ford company, is now president of the Wills Motor Co., of Marysville, Mich., just across the river from the site of the proposed steel plant. The company has secured a 250-acre site for its plant and many concessions from the city of Sarnia. The site is situated on the river, which ensures cheap transportation for fuel and other raw materials. Mr. Wills will receive a small royalty per ton of steel produced for the use of his patents. The promoters will get a small stock interest.

The stock in Dominion Alloy Steel is to be placed by a selling concern named Morganthaler and Co. Stewart A. Howard, Dime Bank Building, Detroit, an investment broker, is the real head of the sales organization and it is in charge of H. E. Treleven. None but Canadian salesmen are being employed. For some time there was some trouble about the launching of the concern, and in the end a new charter was taken out, important changes were made in the directorate and shareholders who were not satisfied were offered their money back at one hundred cents plus interest, or else an exchange to get into the new concern. The company expects to develop a tremendous trade with auto concerns.

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CURRENT OPINIONS

WE NEED COMPETITION TO KEEP US ON OUR TOES

Forbes Magazine

Said the most forceful executive of one of the six greatest industrial enterprises in America when I made a remark about increased competition looming ahead: "Competition! I welcome it. The more competition, honest competition, in an industry the better for the industry. It spurs the industry to improve its product and reduce both costs and prices. The lower prices can be made, the wider the consumption, the greater the growth of the industry. Competition keeps us on our toes. It keeps us tuned up. It keeps us eager. It keeps us on the alert. It makes us progressive. It makes us hunt for waste and inefficiency, and cut them out. I don't want ever to be engaged in any industry that hasn't the stimulus of competition. Where there is no competition there usually is complacency and self-satisfaction. That leads to stagnation. In this industry we expect competition. We welcome it. If we can't hold our own against all comers, then we don't deserve to prosper. We think we know our business as well as the next fellow and we're quite willing to be pitted against him so long as he fights fair and square as we fight."

A he-man attitude, is it not?

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NEWS AND VIEWS ABOUT BONDS

CLOSE BIDDING BY BOND HOUSES ON NEW ISSUE

Bonds Being Brought From New York to Supply Demand

The market for government and municipal bonds continues firm and bonds are scarce. No large issues have appeared during the week, which would affect the market to any extent. Canadian funds are higher in New York. This and the weakness of Canadian bonds in the United States have encouraged dealers to bring in bonds from that market to fill up their lists. Investors are taking offerings readily when the price quoted is reasonable but they are not reaching out after new issues. Victory bonds have been selling slowly with little change in prices. Dealers feel that the tax exempt issues are due for further advances in time, but some believe the taxable issues will recede somewhat before the end of the year, as new financing will be accomplished entirely by taxable bonds.

One provincial and a number of municipal issues were sold during the week. The bids were close, indicating the desire of the houses to maintain their lists. Tenders on a number of issues, including $5,000,000 Province of Quebec bonds, are being closed today. If the Quebec bonds are sold in Canada, they should act as a barometer of what may be expected in the immediate future.

The province of Manitoba sold $1,000,000 worth of treasury bills to a syndicate composed of the Guaranty Company, Wood, Gundy & Company, and Blythe Witter & Company, at 99.337 New York. The bills run for one year and bear interest at 5 per cent. The money is costing the province approximately 5.68 per cent. Both principal and interest are payable in New York funds. Hon. F. M. Black, provincial treasurer, states that the treasury bills were issued as he believes interest rates will be lower in a year and they may be refunded advantageously at that time. The bids were:

Guaranty Company, Wood, Gundy & Co., Blythe, Witter & Co. ..	99.337
MacNeill, Graham & Co., McDonagh, Somers & Co.	99.334
Dominion Securities Corp.	99.32
National City Co.	99.28
A. Jarvis & Co.	98.87
G. A. Stimson & Co.	98.8311
A. E. Ames & Co.	98.78

The Municipal Bankers' Corporation have been awarded a $75,000 issue of county of Norfolk bonds at 101.08. The bonds bear interest at 5½ per cent., are repayable in 15 equal annual instalments, and the money is costing the municipality about 5.34 per cent. The bids were:

Municipal Bankers Corp	101.08
MacNeill, Graham & Co.	101.04
C. H. Burgess & Co.	100.83
A. E. Ames	100.82
R. C. Matthews & Co.	100.573
Gairdner, Clarke & Co.	100.54
R. A. Daly & Co.	100.27
Bird, Harris & Co.	100.23
McLeod, Young, Weir & Co. ..	100.17
Dyment, Anderson & Co.	99.87

An issue of city of London bonds, amounting to $165,000, bearing interest at 5 per cent., and repayable in 25 annual instalments, has been awarded to Aemilius Jarvis & Co. at 97.43. The bids were:

A. Jarvis & Co.	97.43
A. E. Ames & Co.	97.21
Wood, Gundy & Co.	97.08
Bell, Gouinlock & Co.	97.04
R. C. Matthews & Co.	96.35
R. A. Daly & Co.	96.35
McLeod, Young. Weir & Co. ..	95.925

Municipal Debentures Corporation was awarded an issue of $130,000 of 5½ per cent. bonds of Valleyfield, Que., at 99.675. These bonds mature as follows: $20,000 in five years, and another $20,000 at the end of ten, fifteen and twenty years; $25,000 in twenty-five years, and the balance of $25,000 at the end of thirty years.

The city of Fernie, B. C., have sold an issue of $59,500 sewer and school debentures to the Royal Financial Corporation.

The town of Chilliwack sold $33,000 20-year 6-per-cent. bonds for sewer purposes to Gillespie, Hart & Todd at 97.77. The tenders were:

Gillespie, Hart & Todd	97.77
Pembertan & Son, and Royal Financial Corp.	97.03

A. E. Ames & Company tendered 100.06 for the bonds but stipulated that they should be payable in American and Canadian funds.

TAX RATES FOR 1923

Woodstock	37.5 mills
Sarnia	36 mills
Surrey	44 mills

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	96½	97½
Algoma Steel 5s 1962	48	51
Amer. Sales Book 6's 1927	98	..
Ash. Hardware 5 p.c. 1928	89	..
Brompton P. & P. 7% 1941	108	..
Canada Salt 7's 1941	100	102
Wm. Davies 6's 1926	104	..
Dom. Iron Steel 5's 1939 ..	81	82
Dunlop Tire 6's 1927	97½	..
Dom. Sewer Pipe, 6's 1927	90½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93	..
Gord. Iron & Fare 6's 1927	..	45
Harris Abattoir 6's 1928 ..	99	..
H. Smith Paper 7% 1941 ..	100½	102
K. & S. Tire 7's 1935	78	83
L. Superior Paper 6's 1941	103	..
Marcus Loew's 8% Notes	..	98
Mattagami Pulp 6's 1937 ..	61	..
Mattigami Pulp 7% Deb...	34	..
Morrow Screw 6's 1931 ..	88	..
Man. Power 7's 1941	100	102
Neilson's Wm. 6's 1933 ..	96	..
N. S. Steel 6% Deb.	89	91
Stan. Clay Pro. 6% 1942 ..	..	90
Spanish River 8's 1941 ..	106	108
Western Power 5's 1949 ..	85	87
Whalen Pulp 7% Deb. 1932	58	61
Burns P. 1st Mtge, 6's 1924	104½	..
Simpson Robt. 5's 1952	85	..

Well Secured Bonds that Pay 6 Per Cent. Scarce

It is becoming increasingly difficult to obtain as much as 6% on well-secured mortgage bonds. High-ranking issues are gradually moving up. Greenshields and Co. points this out and points to several bonds which have so far escaped the general rise. The list is an interesting one.

Canadian Locomotive Company, Limited, First Mortgage 6's, due July 1st, 1951. Price about 99 and interest, to yield 6.05 per cent.

The Brompton Pulp & Paper Company Limited, General Mortgage 6's, due March 1st, 1939. Price 98 and interest, to yield 6.20 per cent.

Charles Walmsley & Company (Canada) Limited, First Mortgage 6's, due February 1st, 1943, guaranteed unconditionally by Sir W. G. Armstrong, Whitworth & Company, Limited, of England. Price 97¼ and interest, to yield 6.25 per cent.

Abitibi Power & Paper Company, Limited, General Mortgage 6's, due January 2nd, 1940. Price 97¼ and interest to yield 6.25 per cent.

Brandram-Henderson, Limited, Consolidated Mortgage 6's, due March 15th, 1939. Price 95 and interest, to yield 6.50 per cent.

The Spanish River Pulp and Paper Mills, Limited, General Mortgage 8's, due March 1st, 1941. Price 107½ and interest to yield 7.25 per cent.

Lightening the Burden of Edmonton Taxpayers

From Our Own Correspondent.

EDMONTON.—The mill rate in this city will probably stay at last year's level. It looked for a time as though it would have to be increased from 39.70 to 40 because of the demands made by the Public School Board for the year's estimates, but after some pressure the school programme has been cut down to the extent of $27,000. This will enable the city to carry on without raising the mill rate, and the fact that there has been a downward revision of assessments will also mean that Edmonton ratepayers will come through comparatively easily.

Agreement With Swift Current is Ratified

The agreement reached some time ago between the city of Swift Current and its creditors has been ratified by the Saskatchewan legislature. Under the agreement the city is to pay 3 per cent. each year for five years on its outstanding debentures. The balance will be paid as arranged by a new agreement, to be made at the end of five years.

This agreement was the result of the recommendations made by the committee of supervisors appointed, with representatives of both the bondholders and city. It is understood investigations into the affairs of a number of Saskatchewan and Alberta municipalities will be undertaken this spring. Holders of the bonds of some municipalities are planning to be represented at the investigations.

National Motors Bonds Offered in Canada

From Our Own Correspondent.

MONTREAL.—Canadian investors are being offered part of a $3,000,000 issue of first mortgage bonds of the National Motors Corporation, which is a consolidation of a number of automobile, truck and motor parts manufacturers in the United States. The chief production of the new company will be centred in the Traffic truck and National cars.

The bonds run for ten years, are provided with a sinking fund feature and are convertible on certain terms into preferred or common stock. H. B. Robinson and Company are selling the bonds par to yield 7½ per cent.

WILL PAY BOND INTEREST

One Plant of East Kootenay Co. Will Take Care of This Charge

Favorable developments are reported in connection with the East Kootenay Power Company, Ltd. Of the total of 22,000 horse power that is being developed, the Bull River plant has an installed capacity of 7,200 horse power, and it is expected that the earnings from this plant alone by early summer will be more than sufficient to cover the bond interest on the $2,000,000 issue made for the financing of the whole undertaking.

A market for a large portion of the new power that is being developed on the Elk River will be available as soon as it is ready for distribution. This, in turn, will add materially to the present earning power, and should leave a substantial sum available for stock dividends, whenever these are considered advisable.

BAY SULPHITE CO. ISSUE FIRST STEP IN WIDER SCHEME

Will be Other Financial Changes in Group—Issue Well Received

From Our Own Correspondent.

MONTREAL.—Very favorable was the reception accorded this week to the issue of $3,000,000 of bonds of the Bay Sulphite Co. This is particularly gratifying in view of the fact that upon the success of this issue depended to a degree further arrangements that involve the closer co-ordination of efforts between all the companies in this group and to some extent an unscrambling of their finances. This company and the sister company, the Chicoutimi Pulp Co., which is the largest groundwood pulp concern in the world, both ship their products to the European markets under long term contracts that have been negotiated upon a very favorable basis. Together with the parent company, the Saguenay Pulp & Power Co., and several other smaller subsidiaries, they form one of the most remarkable groups of pulp and paper operating companies in Canada and will have world connections that could hardly be improved upon.

In the past the operations have not been conducted as efficiently as they might have been and there has been a situation as regarding the control and financing that would require a Philadelphia lawyer to analyze.

Probably this issue will be followed by similar bond issues that will each carry with them further reorganizations of other companies and will improve the entire group.

New Board a Strong One

The Bay Sulphite Co. now has an operating board that is strong in experience. The president is Sir Frederick Becker, of London, England head of the Becker enterprises. There are three vice-presidents, Victor E. Mitchell, K. C., of Montreal; Arthur C. Hastings of New York, and G. F. Hall Caine of London, England. Two directors are John W. Ross, of Montreal, and J. H. Gundy, of Toronto.

There will be a central management committee of which the three active members will be R. O. Sweezey, well known both as a financial man and an engineer, A. M. Irvine of Montreal, who will be the chairman and G. Sureth of Montreal. Mr. Sureth is a European-trained sulphite operator and it is interesting to learn that he was for some time in command of the operations of Hugo Stinnes' pulp companies in Germany and Sweden.

The bond issue this week consisted of $3,000,000 of first mortgage 20-year, 6½ per cent. gold bonds, which were offered to yield 6.70 per cent. to the investor. The issue was made by a syndicate composed of Wood, Gundy and Co., Newman, Sweezy & Co., Hanson Bros. and Aemilius Jarvis & Co. With the money obtained from the issue there will be retired $1,450,000 of 7½ per cent. first mortgage bonds at present outstanding. Additional timber limits will be purchased and any residue will go to strengthen the working position of the company. The earnings for the four-year period ended December 31, 1922, averaged about $560,000 a year or nearly three times interest requirements of this issue.

MUNICIPAL TAX ON COMPANIES LIMITED

Insurance and Trust Companies Oppose Heavy Taxation

The heavy taxation of insurance and trust companies has attracted some attention recently, on account of the continuous pressure on the part of all governing bodies, Dominion, provincial and municipal, to obtain larger revenue. A report of the executive of the Dominion Mortgage & Investment Association deals with the successful opposition to a special municipal tax in British Columbia. In The legislation of that province the principle has been established as to life insurance and trust companies that, where a tax is paid to the province, municipalities shall not be permitted to impose a further tax in the form of a license. The only exception to this, in British Columbia, is in the case of the city of Victoria, which had already a tax on trust companies, a privilege which, though not taken away, was limited.

BOND MOVEMENTS OF THE WEEK

Week Ending March 27

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	Range 1922 Low	Range 1923 High	Range 1923 Low	Latest Price Ask	Latest Price Bid	Week High	End Low
Bell Telephone	5	1925	5.18	98	94	99¾	97¾	100¼	99¾	99½	—
Can. Bread	6	1941	6.00	99	88½	100	96	100	99	100	—
Can. Locomotive	6	1951	6.08	100¼	99	99	96½	—	98	99	—
Asbestos	5	1942	5.98	100	76	89¾	87½	88½	88	89	—
Ced. Rapids	5	1953	5.22	97½	93	96½	95½	96	94	96½	—
Dom. Iron	5	1929	6.37	94	82½	93¾	92¼	93	—	92¼	—
Dom. Textile (A)	6	1925	5.90	101	97¼	100½	99¾	—	100¼	100¼	—
Do., (B)	6	1925	6.00	101	97¼	100½	99½	100	—	100	—
Lyall Cons.	6	1932	7.40	85	75	90	85	90	—	90	—
Montreal Sep.	6	1928	6.10	102	99	100	99¾	—	99¾	99⅞	—
Montreal Trams	5	1941	5.78	93½	87½	92	89¼	90⅝	90¼	91⅛	—
Penmans	5	1926	6.25	94¾	90	96	93¾	—	96	95⅝	—
Quebec Rly	5	1939	7.50	87¼	63½	78	69	—	76	78	75¾
Rio Janeiro	5	1935	6.53	87¾	76	86¾	85½	—	86¾	86¾	—
Steel of Can.	6	1940	5.88	100¾	97	101¼	99¼	—	99⅛	101¼	100—
Wayagamack	6	1951	7.28	88¾	71¾	85	80½	—	84½	85	84¼
Winnipeg Electric	5	1935	6.00	92	88¾	94½	91	—	90½	91	—
West Kootenay	6	1940	6.00	96	89½	100	98	—	98	100	—
War Loan	5	1925	4.69	96.30	96.10	100.80	99.10	——	100.85	100.80	100.75
Do.	5	1931	4.81	99.90	96.25	101.80	99.80	——	101.40	101.60	101.25
Do.	5	1937	4.72	101.50	99.50	103.30	101.25	103.10	102.90	103.20	102.80
Victory Loan	5½	1923	4.93	100.70	98.75	100.95	100.25	100.75	100.55	100.80	100.55
Do.	5½	1924	5.02	100.75	98.00	101.40	100.25	100.95	100.90	101.09	100.60
Do.	5½	1927	4.78	102.70	99.75	103.40	102.35	103.60	103.04	103.40	103.00
Do.	5½	1933	4.78	104.85	101.25	106.70	104.40	106.25	106.15	106.30	105.80
Do.	5½	1934	5.18	101.45	98.80	103.90	101.30	102.90	102.80	102.95	102.83
Do.	5½	1937	4.74	106.25	103.00	108.40	106.50	108.30	108.00	108.35	108.05
Do., Renewal	5½	1927	5.00	101.10	99.40	102.80	101.00	102.40	——	102.40	102.00
Do., Renewal	5½	1932	5.21	101.10	99.70	103.00	101.00	102.65	102.25	102.40	102.25

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6% First Mortgage Bonds

Due 1st November, 1942

Price: 99 and interest,

Yielding 6.09%.

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Bay Sulphite Co., Ltd.
FIRST MORTGAGE TWENTY YEAR 6½% SINKING FUND BONDS
Dated April 2, 1923. Due April 1, 1943.
Payable in Canada or New York.

The Bonds of a Company that has proved itself a steady and consistent earner.
Earnings sufficient to secure bond interest four times over are assured by contract with Becker & Co., Limited, one of the largest and most responsible firms in England who have arranged to purchase Bay Sulphite Company's output on a cost plus profit basis.

Price 95.75 and Interest Yielding over 6.70 per cent.
Full particulars on application.

HANSON BROS.
160 St James St. MONTREAL — INVESTMENT SECURITIES — 63 Sparks St OTTAWA

April Dividend Payments

APRIL DIVIDEND PAYMENTS

Dividends..	$ 9,620,649
Bond Interest..	16,062,802
Total ..	$25,683,451

DIVIDENDS
Industrials, Utilities, Etc.

Company	Rte.	Dte.	A'ount
Abitibi com.	1 q	15	$ 50,000
Do., pfd.	1¾q	3	17,500
Amer. Cyanamid, p.	1½q	3	83,938
Asbestos Corp, com.	1½q	15	45,000
Do., pfd	1¾q	15	70,000
Bell Telephone ...	2 q	15	536,360
Bird & Son, pfd ..	1¾q	1	7,000
Brand., Hend., pfd.	1¾q	1	8,750
B. Ameri. Oil ....50c+50cq		1	220,000
Brazilian, pfd.	1½q	1	150,000
Burt, F. N., com. ..	2½q	3	53,827
Do., pfd.	1¾q	3	10,011
Can. Bread, pfd. ..	1¾q	2	21,875
Can. Cement, com.	1½q	16	202,500
Can. Cottons, com.	2 q	4	54,310
Do., pfd.	1½q	4	34,922
Can. Gen. Elec. ...	1½q	1	162,000
Do., pfd.	3½s	1	70,000
Can. Locmo. com..	1 q	1	20,000
Do., pfd.	1¾q	1	26,250
Canadian Salt	2 q	1	24,000
City Dairy, com. ..	2½q	3	14,125
Do., pfd.	1¾	3	12,250
Consumers Gas ..	2½q	1	150,000
Can. W. Rogers, p.	1¾q	1	13,125
Dome Mines	50cq	20	235,304
Dom. Canners, p. ..	1¾q	3	40,085
Dom. Glass, com. ..	1¾q	1	74,375
Do., pfd.	1¾q	1	45,500
Dom. Iron, pfd. ..	1¾q	1	87,500
Dom. Telegraph ...	1½	1	15,000
Dom. Textile, com.	3 q	3	150,000
Do., (New) com.	1 q	2	25,000
Dom. Textile, pfd.	1¾q	16	33,960
Dul.-Superior, pfd.	1+1q	3	30,000
Goodyear Tire, pfd.	1¾q	2	78,750
Do., Prior., pfd. ..	1½q	2	42,390
Goodwins, pfd.	1¾q	3	30.625
Gould Mfg., com...	1½q	2	11,212
Do., pfd.	1¾q	2	13,080
Hillcrest Col., com.	1½q	15	15,000
Do., pfd.	1¾q	1	12,349
Hollinger Mines ..	1 m	26	246,000
Illinois Traction, p.	1½q	1	109,342
Kerr Lake Mining	12½c	15	75,000
King Ed. Hotel, c..	5 s	15	50,000
Laurentide	1½q	1	432,000
Mackay, com.	1¾q	3	724,157
Do., pfd.	1 q	3	500,000
Maple L. Mill, com.	2 q	18	50,000
Do., pfd.	1¾q	18	51,275
Montreal Telegraph	2 q	15	40,000
Marit. Telegraph, c.	1½q	1	12,750
Do., pfd. (a) ..	1½q	1	15,000
Do., pfd. (b) ..	1¾q	1	26,250
Nat. Breweries, c...	1 q	1	22,543
Do., pfd.	1¾q	1	48,562
Nipissing Mines ..	3 q	20	180,000
N. S. Oil, pfd. ..	1¾q	1	17,500
N. S. Steel, pfd. ..	2 q	15	20,000
Niagara Falls Pr. p.	1¾	15	254,283
Ogilvie, com.	3 q	3	75,000
Ottawa Car	1 q	1	11,779
Ottawa L. H. & Pr.	1½q	1	52,500
Ottawa Traction ..	1 q	1	55,812
Pacific Burt, com.	1½q	3	9,750
Do., pfd.	1¾q	3	11.375
Page Hersey, c.	1½+1½q	2	82,680
Do., pfd.	1¾q	2	52,500
Penn. Water & Pr.	1¾q	1	148,662
Porto R. Rly., pfd.	1¾q	2	17,500
Price Bros.	½	1	213,466
Prov. Paper, com. ..	1½	1	52,500
Do., pfd.	1¾q	1	29,750
Rogers, Wm., pfd. ..	1¾q	3	19649
Shawinigan	1¾q	10	350,000
Shredded Wheat, c.	2 q	1	175,000
Do., pfd.	1½q	1	18,750
Smith Paper, H. c.	1½q	20	55,405
Do., pfd.	2 q	20	30,000
S. Can. Pr., pfd. ..	1½q	15	4,785
S. Riv. Pulp com..	1¾q	15	157.420
Do., pfd.	1¾q	15	150,841
Trinidad Electric..	1 q	11	11,640
Tri-City, pfd.	1½q	1	45,000
Tuckett Tob., com.	1 q	15	25,000
Do., pfd.	1¾q	15	35,000
Twin City, pfd. ...	1¾q	1	52,500
Wabasso	1 q	3	17,500
West Ind. Elec. ...	1½q	3	12,000
W. Kootenay Pr. p.	1¾q	2	8,750
Win. Electric, pfd.	1¾q	2	52,500
Woods Mfg. pfd. ..	1¾q	1	27,063
Wright Hargreaves.	2½	1	68,750
			$ 8,023,362

BANKS

Bank	Rte.	Dte.	A'ount
Dominion	3 q	3	180,000
Molsons	3 q	3	120,000
Montreal C. & D...	2½q	3	37.462
Nova Scotia	4 q	3	388,000
Provincial	2¼	2	67,500
			$ 792,962

Loan, Trust, Insurance

Company	Rte.	Dte.	A'ount
Can. Landed	2½q	3	30,125
Can. Permanent ..	3 q	3	210,000
Gen. Can. Loan ..	2½q	1	43,750
Crown Trust	1½q	1	7,500
Can. Per. Trust ..	1¼q	1	12,500
E. Can. Savings	2q	1	14.996
Huron & Erie	1¾q	2	87,500
Home Investment..	2 q	1	19,852
Chartered Trust.. ..	1¾q	1	8,477
Eastern Trust	2½q	1	25,000
London Loan	1¾q	1	15,599
Lon. & West. Trusts	1¾q	2	8,750
Mercantile Trust ..	1½q	1	7,500
National Trust	3 q	3	60,000
Ont. Loan & Deb...	2½q	3	43,750
Royal Loan	2¼q	2	13,500
Toronto Gen Trust	3 q	2	60,000
Toronto Mortgage..	2½q	1	18.113
Toronto Savings ..	3 q	1	30,000
Union Trust	1¾q	3	17,500
Canada Life	3¾q	1	37,500
Dominion Life	4 q	1	6.400
Imperial Life.. ..	3¾q	1	16,875
Guarantee of N. A.	3 q	15	9,138
			$ 804,325

Bond Interest Due in April

Company	Int. Rate	Due	Amount
Ameri. Sales Book	6	1927	$ 11,241
Ames Holden	6	1941	37,707
Algoma Steel	5	1962	312,448
Bell Telephone ..	5	1925	281,250
Do., ...	7	1925	192,500
Brand. Henderson	6	1936	9.183
Canada Cement ..	6	1929	182,190
Can. Con. Rubber	6	1946	78,000
Can. Con. Felt ..	6	1940	9,870
Carr Factories ..	6	1940	13.365
Commercial Cable.	4	2397	200,000
Clark Bros.	7	1930	31,377
Detroit United Rly.	7	1923	154,000
Davidson T, Mfg.	6	1942	8,892
Dom. Canners ...	6	1940	39,600
Dom. Pr. Trans. .	5	1915-32	139,600
Dryden Pulp	6	1928	11,580
Fraser Companies	6	1929	60,000
Gould Mfg.	6	1927	48.000
Hydraulic Power	5	1951	162,500
Intercol. Coal	6	1923	2,610
King Ed. Hotel ..	7	1933	23,800
Mont. Pr. (La'ine)	5		71.150
Mont. Trams deb.	5		425,000
Niagara Falls Pr..	6	1932	243,510
N. S. Underwear..	6½	1930	6,500
Ottawa L. H. & Pr.	8	1940	48,000
Rio Janeiro	5	1958	629,820
Sawyer Massey ..	6	1927	11,472
Steel & Radiation	6	1931	30,000
Western Power d.	7	1926	17,500
Win. El. Pf. Cns.	4½		98,550
Wiscon. Cen. Rly.	4	1959	116,320
Do., ...	5	1959	80,375
Corporation Bonds			$3,787,910
Municipal Bonds			*3,015,000
Provincial Bonds			*2,500,000
2nd War Loan ..	5	1931	1,359,892
Pub. Service Loan	5		3,750,000
Dominion of Canada Bond Loan	5½	1929	1,650,000
			$16,062,802

* This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

CIVIC AND PROVINCIAL FINANCE

UNIFORM TAXES ON CORPORATIONS BEING PROPOSED

At Present Levies Are Different in Each Province

In a bulletin dealing with provincial taxation of corporations and companies the Citizens' Research Institute of Canada declares that, scientifically considered, the corporation tax is just an imperfect business tax and viewed in this light its great defect is its inequality both as between the various classes of business and as between the different provinces. The railways, like the banks in the financial class of corporations, were among the first to be singled out for taxation by the provinces. The justness of the tax was based on the fact that the business was of a semi-monopolistic nature and, since special benefits were conferred by the state, a special return to the state was warranted. This same argument is used to justify the equity of this tax on practically all corporations in the public utility class. In Nova Scotia the Corporations Tax Act declares that a public utility shall be entitled to earn an amount equal to 8% upon the fair value of its property and that if in any years it earns over 8%, 50% of the excess earnings shall be paid to the province as a tax. Following are details of some of the various tax levies by Canadian provinces:

Railways

Prince Edward Island:—No special tax.

Nova Scotia:—(a) If main line line with one track only, $50.00 per mile, and if more than one track, $30.00. per mile for each additional. If branch line not more than 60 miles long—$30.00 per mile for one track. (b) 1. If company operates a line over 150 miles long, it shall pay an additional tax of $20 per mile, if one track, and if more than one, $15.00 per mile for each additional. 2. Upon each main line or branch exceeding 60 miles but not 150 miles the additional tax is $10.00 per mile for one track.

New Brunswick:—The tax is in the discretion of the Lieutenant-Governor, but is not to be less than $50 and not more than $100 per mile within the province.

Quebec:—(a) Upon main line within the province $30 per mile for one track, and $15 per mile for each additional track. (b) Upon a branch line, $20 per mile for one track, and $10 per mile for each additional track.

Ontario:—I. (a) In an organized municipality $60 per mile for one track, and $40 per mile for each additional track. (b) In unorganized territory, above taxes are $40 and $20 respectively. (c) Railway or system of railways not 150 miles from terminus to terminus, above taxes $15 and $5, respectively. (d) Railway or system of railways not over 30 miles from terminus to terminus, above taxes, $10 and $5, respectively.

II. If railway is over 150 miles from terminus to terminus, an additional tax of $25 and $20, respectively.

Manitoba:—The tax is at the discretion of Lieutenant-Governor-in-Council, but is not to exceed 3 per cent. of gross revenue received within province. Railway companies are exempt from municipal taxation, except for local improvements, and for land not in use for railway purposes. In the case of the C. N. R. during currency of bonds guaranteed by province, tax not to exceed 2 per cent. of gross earnings.

Saskatchewan:—Similar to Manitoba, both as to base, and as to exemptions, with tax not to exceed 3 per cent. of gross earnings if railway in operation 7 years or more; over 5 years but less than 7, not to exceed 1½ per cent.; and under 5 years there is no tax levied.

Alberta:—A tax of 1 per cent. on the actual value of the railway, which value is to be determined by enquiry. Until this is settled the value shall be taken as $20,000 per mile. There is a provision similar to Manitoba and Saskatchewan regarding railways guaranteed by the province.

British Columbia: 2 per cent. upon the assessed value of the railway and equipment, such value to be arrived at as follows: $10,000 per mile or fraction of a mile of track of the main line or branches; $3,000 per mile or fraction of a mile of track of sidings, spurs and switches.

Street Railways

Prince Edward Island: No special tax.

Nova Scotia:—1 per cent of gross income, if paid-up capital is $30,000 or over.

NEW BRUNSWICK:—In the discretion of the Lieutenant-Governor, but not less than $50 per mile, nor more than $100 for each mile operated by the company.

Quebec: $50 for each mile of single track in operation; $100 for each mile of double track.

Ontario:—When mileage within the city does not exceed 20 miles—$20 per mile. When mileage within the city exceeds 20 miles, but not 30—$35 per mile. When mileage within the city exceeds 30 miles, but not 50—$45 per mile. When mileage within the city exceeds 50 miles—$60 per mile. Every company shall pay in addition a tax of 1 per cent. upon the net earnings from within the municipality. Note: One mile of double track equals 2 miles of single track. Switches, sidings, etc., exempt.

Manitoba:—The tax is levied on the same basis as in Ontario, but varies somewhat as to grades as follows: Railway 15 miles or under, $30; 15-30 miles, $40; 30-50 miles, $50; over 50 miles, $60. Note: Exemptions and computation of mileage the same as in Ontario.

Saskatchewan:—No special tax.

Alberta:—Where whole line track is 20 miles or less, a tax of $200, and $10 for each mile in excess of 20. Note: Exemptions and computation of mileage the same as in Ontario.

British Columbia:—2 per cent. upon gross income.

Telephone Companies

Prince Edward Island: No special tax.

Nova Scotia:—1/5 of 1 per cent. on the paid-up capital. If such capital is more than $30,000, an additional 2 per cent. upon income from within province. Also 25c upon every telephone instrument used in the province; 5c upon every message transmitted where initial charge is more than 25c, to be paid by the person transmitting and collected by the company.

New Brunswick:—1½ per cent. upon gross earnings within province, and an additional 25c for each telephone under rental within province.

Quebec:—1/10 of 1 per cent. upon amount of paid-up capital.

Ontario: ¼ of 1 per cent. upon the amount of paid-up capital if such capital exceeds $100,000.

Manitoba:—To be determined by Lieutenant-Governor-in-Council, but not to exceed 2 per cent. of the gross earnings.

Saskatchewan:—No special tax.

Alberta:—On companies operating for gain in cities of 10,000 population or over 50c for each instrument rented from it; under 10,000 population, and in incorporated towns or villages, 25c per instrument rented.

British Columbia:—2 per cent. upon gross income.

Electric Light and Power Plants

Prince Edward Island:—1 per cent. upon gross revenue.

Nova Scotia:—1/5 of 1 per cent. upon paid-up capital. If such capital is over $30,000, an additional 2 per cent. upon gross income in the province, and also 25c. per meter.

New Brunswick:—No special tax.

Quebec:—No special tax.

Ontario:—1/10 of 1 per cent. on paid-up capital, and an additional tax of ½ of 1 per cent. on net revenue earned within province.

Manitoba:—According to population. If under 3,000, $25; if over 3,000 and under 10,000, $50, and so by grades of increase according to population until when population over 75,000 and under 125,000 the tax is $500; with $100 additional for each 50,000 additional population.

Saskatchewan:—No special tax.

Alberta:—An Electric Light Company pays a tax of $500 in city if population 10,000 or more; $100 if population under 10,000; $25 in incorporated towns or villages. A Power Company, not municipally owned, in a city or town over 15,000 population, pays a tax of $1,000.

British Columbia:—2 per cent. upon gross income.

The report of the Institute goes on to discuss details of some of the other taxes and asks: Is it not possible to arrive at one fair tax base for each class of corporation taxed and have this base adopted by all the different Canadian provinces? How much would such a move mean to Canadian business? Is not a conference to discuss this, amongst other questions, a worth-while project?

PROPOSED CITIES PROVE A PROBLEM

York Incorporation Means a Change in Roads and Justice Administration

The proposal to incorporate part of York county as York city has given rise to many difficulties which appear in cases where the limits of municipal corporations are disturbed. To complete the incorporation, the proposal must be ratified both by the electors and the provincial legislature. If this is done, the new municipality will be entirely separated from the county.

The practical difficulties arise in breaking arrangements and agreements made before the present change was contemplated. The maintenance of the road system appears to be the chief obstacle to the change. At present the city and county contribute 30 per cent. each, the province meeting the balance. As the proposed incorporation means a heavy cut in the county's assessment, a reduction in the county's share of the expense is necessary. To accomplish this it is intended that the new municipality, York city, will contribute. If this plan is followed, it is contended that York city will be entitled to representation of the Roads Commission.

The existing agreements between York county and the city of Toronto will have to be redrafted and the costs of administering justice within the areas will have to be re-apportioned.

Tenders and By-Laws

TENDERS WANTED

April 7, Toronto Twp.—$40,000, 5½%, 30-year, school debentures. K. R. Kennedy, Clerk, Dixie.

April 11, Laval-sur-le-Lac, Que.—$20,000 debentures. Horace Gohier, Sec.-Treas., 30 St. James St., **Montreal.**

April 16, Lachine.—$12,000, 5½%, 30-year school bonds.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:

February 19th, 1923—City of Nanaimo—"The Waterworks Improvement Loan By-Law, 1922," No. 358, $46,211, payable in twenty years with interest at 5½% payable annually.

February 27th, 1923. — District of Burnaby—"Burnaby Sidewalk By-Law, 1922," No. 381, $70,000, payable in fifteen years with interest at 5½% payable half-yearly.

February 27th, 1923—"Burnaby School Loan By-Law, 1922," No. 382, $70,000. payable in twenty years with interest at 5½% payable half-yearly.

March 8th, 1923—"Burnaby Waterworks By-Law, 1922," No. 383, $25,000, payable in fifteen years with interest at 5½% payable half-yearly.

March 9th, 1923—South Vancouver—"South Vancouver Treasury Certificates Redemption By-Law," $776,000, payable in twenty-four years with interest at 5% payable half-yearly.

March 14th, 1923—"South Vancouver Debenture By-Law," $670,000 payable in twenty-four years with interest at 5%, payable half-yearly.

March 16th, 1923—City of Fernie—"Annex Sewer Debenture By-Law. 1922," No. 250, $28,000, payable in twenty years with interest at 6%, payable annually.

SASKATCHEWAN

List of authorizations granted by the local government board from March 3rd to March 17th, 1923.

Schools.—Whitkow, $3,000; Basin Lake, $1,000; White Fox, $1,500; Schiller, $1,000; Readlyn, $2,000; Harold, $2,500; Flanderdale, $550; Dee Valley, $1,000; Blairlogie, $3,500; Punnichy, $20,000; Hill Crest, $800.

Telephone.—Pizarro, $350.

School.—Birsay, $500.

City.—Regina, $208,017.

Telephones.—Growth, $1,400, 15-years, 7%, Biggar Sinking Fund; McDonald Hills, $1,600, 15-years, 7½%, Cross & Co., Regina; Leslie, $1,600, 15-years, 7¼%, Cross & Co., Regina.

Town.—Unity, $5,000, 10-years, 8%, locally.

City.—Regina, $840,000, 30 and 35-years 5½%, Wood, Gundy & Co.

MUNICIPAL BODY SATISFIED WITH DEBT BUREAU

Saskatchewan Association Discusses Conditions in Rural Districts

At the meeting of the Saskatchewan Association of Rural Municipalities held recently at Regina, a resolution, scoring the alleged lack of power embodied in the debt adjustment bureau, was defeated. The supporters of the resolution argued that the tendency of the bureau was to protect the mortgage companies rather than its announced aim of keeping the farmers on the land. T. H. Moffet, president of the association, was of the opinion that the request of the resolution was beyond the powers of the provincial government. The general opinion was that the bureau is functioning satisfactorily from the farmers' standpoint and the resolution was defeated. The resolution read:

"Whereas the Debt Adjustment Bureau has no power to force anybody to accept their adjustments;

"And whereas many creditors and farmers are not getting fair play under the present system;

"Therefore be it resolved that this convention ask the Provincial Government to establish a Compulsory Debt Adjustment Bureau for the year 1923, and to maintain that bureau as long as the present conditions will exist."

On the mover consenting the following appendage was made to the resolution at the request of Estevan municipality:

"And that the municipal secretary-treasurer be appointed by such board to receive applications from the debtor and forward them to the Debt Adjustment Board."

Later in the session a resolution dealing with pre-emption fees was introduced. It requested that united representation be made to the Dominion government, asking that it cancel all amounts due on account of purchased homesteads and pre-emption in cases where those concerned have fulfilled their duties, and grant titles at once. The resolution was defeated.

A resolution, asking the Dominion government to require those holding grazing leases to produce tax receipts to secure renewal of the leases, was passed. It is alleged that some municipalities have experienced much difficulty in collecting taxes from these leaseholders. In cases the taxes are several years in arrears and there is nothing of value which the municipality can seize as the stock pastured on the lands belong to people other than the leaseholders and are not subject to seizure.

A number of minor resolutions were passed. T. M. Moffet, of Viceroy, was elected president of the association, and R. J. Moffet, Bradville, was reelected as vice-president.

Port Arthur Shipbuilding Issues $250,000 of Bonds

From Our Own Correspondent.

MONTREAL.—Port Arthur Shipbuilding Company is issuing $250,000 of bonds of the Western Dry Dock and Shipbuilding Company, the name of the original company. These bonds are the unissued part of an authorization of $1,000,000. Of the amount originally issued $480,000 have been redeemed to date. The Royal Securities Corporation is offering the bonds to yield 6½ per cent. They are 6 per cent. first mortgage bonds maturing from 1928 to 1932.

The company gets an annual subsidy from the Dominion government more than sufficient to cover bond charges. The dry dock at Port Arthur is the largest on the Canadian great lakes. The bonds rank as a first charge on all the assets of the Port Arthur Shipbuilding Company. Fixed assets are valued at $1,948,688, after depreciation, against $530,000 of bonds outstanding.

TORONTO'S FINANCES

The estimates of the city of Toronto to include capital to be raised during 1923 at approximately $28,000,000. At present prices this financing will involve an annual charge of over $2,000,000. The capital requirements of the Transportation Commission, the Harbor Commissioners and the Board of Education are $18,000,000, the balance being accounted for by the ordinary city service. In addition to the local improvement requirements, bonds for $20,000,000 or more will have to be issued.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Mar. 26	Norfolk County	Municipal Bankers' Corp.	5½%	15 ins.	$75,000	101.08	5.34
Mar. 26	London, Ont.	Aemilus Jarvis & Co.	5 %	25 ins.	165,000	97.43	...
Mar. 22	Valleyfield, Que.	Municipal Debentures Corp.	5½%	5 to 30 yrs.	130,000	99.675	...
Mar. 17	Sask. Phones, etc.	Various			849,600		
Mar. 21	Fernie, B. C.	Royal Financial Corp.			59,500		
Mar. 27	Chilliwack, B. C.	Gillespie, Hart & Todd	6 %	20 yr.	33,000	97.77	
Mar. 19	Hudson School Com.	.. .. ..	6 %	10 yr.	10000	100.15	...
Mar. 15	Village of Hensall	Burgess & Co.	5½%	10 yr.	30,000	99.33	...
Mar. 20	Twp. of Chatham	Canada Bond Corp.	5½%	10 ins.	40,000	101.90	...
Mar. 23	Kingsville, Ont.	Bird, Harris	6 %	10 ins.	27,958	100.70	...
		PROVINCIAL					
Mar. 27	Manitoba	Guaranty Company Syndicate	5 %	1 yr.	1,000,000	99.337	5.68
		CORPORATION					
Mar. 26	Bay Sulphite Co.	Wood, Gundy Syndicate	6½%	20 yr.	3,000,000	97.75	6¾
Mar. 28	Canadian Salt Equipment Co.	Royal Securities Corp.	6 %	10 yr.	100,000		
Mar. 28	Western Drydock (Issued by Port Arthur Shipbuilding)	Royal Securities Corp.	6 %	10 ins.	250,000		
Mar. 23	New Sydney, Ltd.	Standard Bond Corp.	7 %	20 yr.	400,000		
Mar. 23	Com. de Immeubles de Rapport	Versailles, Vindricaire	6½%	3 to 15 ins.	50,000		
Mar. 15	Nations Oil Refineries	.. .. ..	8 %		350,000		

We deal in—
Wayagamack 6's.. 1951
Windsor Hotel 6½'s 1943
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Montreal Public Service 5's 1942
Montreal Public Service 6½'s 1924
Montreal Tram Power 6½'s 1924
Manitoba Power 7's 1941
Also Bonds of Provinces and the larger Canadian Cities
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Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
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12

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DOMINION STORES, LIMITED
8% Cumulative Class "A" Preferred Shares
Price: 100.00, Carrying a 25% Bonus of Common Stock.
This Company is the largest retail distributor of groceries in Canada, operating 190 stores. Plans call for over 50 new stores in 1923.
Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.
Dividends paid regularly on preferred shares, and common now paying $1.00 per year.
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A special circular we have prepared will be mailed upon request.
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INVESTMENT BANKERS
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WE WILL BUY
400 Loew's London Common.
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150 Loew's Buffalo Com.
200 Loew's Buffalo Pref.
100 English Electric Pref.
100 Durant Motors.
50 L. R. Steel Units.
300 K. & S. Tire Com.
200 Imperial Steel Corp. Com., $5.53.
1,000 Imperial Steel & Wire Co., 5½%, at 103½.
3,000 Howard Smith 7%.
2,000 Wayagamack 6%.

WE WILL SELL
400 Durant Motors.
30 Hamilton Theatres Pref.
150 Marconi of Canada.
2,000 K. & S. Tire 7% Bonds.
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The Leading Life Company of the Dominion

Assurances in Force - $630,000,000
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SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

1922 RECORD YEAR FOR THE MUTUAL OF CANADA 1922

Favorable mortality, decreased expense rate, and a high interest rate on investments combined last year to produce surplus earnings of
$3,040,273.98

A result unprecedented. After providing for all liabilities on a reserve basis higher than called for by the statutes and after putting aside a special investment reserve of $611,776.34, there remains a general surplus fund of
$6,603,718.60

Every dollar of which is the property of the policyholders and will be used for their exclusive benefit.
Assets $53,605,630. December 31st, 1922. Assurances $246,486,654.

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$78,000,000.00
Policies Issued from $500 to $5,00

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GOOD POSITION OPEN to man who can qualify as **Superintendent in City of Toronto.**
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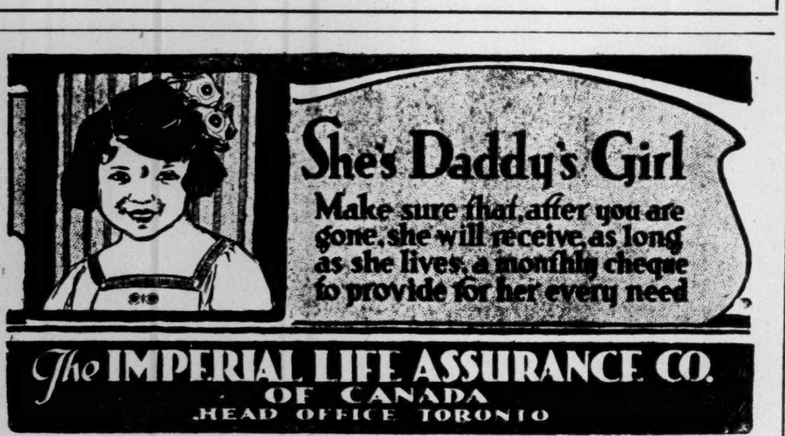

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INSURANCE FOR BUYER AND SELLER

INVESTMENTS IN WEST HINDERED BY LEGISLATION

A Short-sighted Effort to Protect Defaulting Mortgagors

By J. B. McKISHNIE,
Manager, Manufacturers' Life Insurance Company.

Life insurance companies, in common with other investment institutions, have for many years been accustomed to invest comparatively large amounts in the Provinces of Manitoba, Saskatchewan and Alberta. The major portion of these funds has gone into first mortgages on improved city and farm property and government, municipal, school and other bonds. It is quite correct to say that most of the civic improvements, such as waterworks, pavements, school buildings, etc., as well as the farming development of Western Canada, have practically all been financed by capital furnished by the lending institutions of Canada, Great Britain and a few foreign countries.

Large Amounts Invested

It is difficult to determine exactly how much these investments total, but a fairly accurate survey leads to the conclusion that the sum thus invested by those lending institutions which have definitely established themselves in the West amounts to $350,000,000. It will be seen, therefore, that these institutions are very largely interested in the subject of investments in Western Canada and hence a reference to the present situation may not be out of place. It must be understood that the opinions expressed are purely those of the writer, and no responsibility for them should be attached to the Insurance Institute or any other organization.

Canada, during the years preceding, say 1912, experienced considerable development. Immigration was comparatively large, and much money was borrowed, both in Canada and abroad, by the western provinces, municipalities and individuals. Railway development was quite extensive, and gave employment to a large number of workers. With towns springing up everywhere, and growing rapidly, sometimes into cities in a few years, there was, in addition to railway construction, much civic construction of pavements, waterworks, school buildings, etc. It is generally admitted that the towns and cities developed at the expense of the farming areas, and much beyond the requirements of the country.

A reaction set in about 1912, and the boom in real estate, which had been going on apace, suddenly came to an end. During the years 1912 to 1915 conditions were rather unsatisfactory, but the high prices of grain and cattle during the war period ameliorated these conditions to some extent. During the last few years, in which the prices of grain and cattle have not been in keeping with the uncontrollable expenditure involved in their production the farming community has been left in a somewhat difficult position, which has been augmented to some extent by a series of poor crops in certain districts. This has had a natural reaction on the urban centres, and has increased their difficulties.

To summarize: The present situation has been caused by:—

(1) The over-expansion of towns and cities during the boom period.

(2) The inability of the farming community to realize sufficient profit on their produce.

(3) Poor crops over a series of years in certain sections.

The results have been:—

(1) A number of municipalities school districts, etc., have not met their obligations.

(2) Many mortgagors, both urban and rural, have not met their interest payments, let alone their instalments of principal, and in a considerable number of cases not even their taxes

Adverse Legislation

In an apparent effort to protect the muncipalities and mortgagors in default, there has been a mass of legislation, which has been not only a source of considerable annoyance and loss to the creditors, but has caused the credit of these provinces to be injured to a very great degree. Some of this legislation has now been annulled, but the following still remains:

MANITOBA

General Moratorium—Prohibits action for recovery of principal moneys.

War Relief Act. Affords protection against sale or foreclosure proceedings to members of the allied forces and their dependents. (Expires May 31st, 1923).

SASKATCHEWAN

An Act empowering Lieutenant Governor-in-Council to issue proclamation prohibiting proceedings and postponing payment of debt. (Extended to February 1, 1923; not known at this date whether any further extension has been made).

ALBERTA

War Relief Act.—Relates to land situation in incorporated cities and towns. Prohibits any proceedings to recover principal or to enforce payment of interest without leave of Judge. (Act in force until repealed by Order of Lieutenant-Governor-in-Council).

Land Titles Act.—Empowers Supreme Court Judge or Master in Chambers to stay sale or foreclosure proceedings.

In addition, new legislation has been passed, such as The Drought Area Relief Act in Alberta, which prohibits proceedings to recover moneys due against debtors in certain areas without leave of a Judge, and which is practically a moratorium as far as most of Central and Southern Alberta is concerned. (In force until June, 1923).

The experienced, investor understands quite well that poor crops may come, that there may be an undue cost of production compared with prices procurable for grain and cattle, and that even municipalities may get behind in payment of their debts and he can and does adjust his affairs accordingly. But what he cannot understand is that legislatures should give evidence of what he thinks is bad faith, by interfering with contracts already made, and legally made under the provincial laws then existing. Acts of the legislature reflect popular opinion, and if that becomes indifferent as to fidelity to contracts, there can be no security to the investor.

Canada, and particularly Western Canada, needs and will continue to need, an inflow of capital, to properly develop her great latent resources. Part of the capital required can be furnished, as in the past, by the Canadian investment institutions, but it will be necessary and advisable to attract capital from British and foreign investors. It is to be regretted, therefore, that the credit of our western provinces should have been injured, as has been done, as a result of this interference with existing contracts, and often in a way which brought little or no relief to the honest debtor.

From Private Car to Selling Papers

A Canadian business man, visiting Los Angeles a couple of years ago, became interested in a refined, elderly-looking lady, who spent her mornings and late afternoons selling newspapers on the street. Trouble and misfortune had unmistakably left their marks in her gray hair and careworn brow. Buying a paper from her one day the Canadian whose attention was attracted by her appearance, ventured to ask the woman a question, which she answered politely. Encouraged, he soon became braver and finally her story came out:

"Some years ago," she said, "my husband and I were travelling the whole country in a private car. He was a special agent of the government, and his business required him to travel most of the time. It was then that we decided that the life insurance policy my husband was carrying for me was unnecessary, and I persuaded him to drop it and place the money formerly spent for that into something from which we both could derive a benefit during our lifetime. He then dropped his policy for $10,000—and two years later died.

"After his death I came to California for my health. One month after my arrival in Los Angeles I was informed that all my investments in New York had been wiped out. I had not a cent left with which to pay my board bill, already due. Never having been cramped for money before I was beside myself to know what to do. First my jewelry was sold, then my wardrobe, and finally, becoming nervous, I went out on the street to sell newspapers. This all happened within three months, during which time I became an old woman. Sleepless nights and foodless days are the greatest known producers of gray hair and wrinkles."

This is just another illustration of the old proverb: "Wives may object to life insurance but widows never do."

Income Policy Gaining Favour With Companies

The frequent dissipation of the proceeds of life insurance by beneficiaries unskilled in the care and investment of money has led the companies to pay considerable attention to the kinds of insurance suitable for each type of prospect. In the process of educating others the companies have been educating themselves, and they have come to realize that the growth of insurance will be in proportion to the degree of service it renders.

This is the basis for a pamphlet issued recently by a large company, setting forth the peculiarities and benefits of income insurance as compared with other forms. It shows how, by purchasing such a policy, the insured is providing against the inexperience of his beneficiaries, especially where they are children, whose judgment is immature when the money comes into their possession. This form of policy has been gaining favor in late years and should be a matter of serious consideration by those contemplating life insurance and to agents seeking to advise their prospects intelligently.

The Causes of Motor Accidents Are Varied

A bulletin issued by a large company transacting automobile insurance gives a detailed statement of the causes of automobile accidents:

	No.	Amount
Cranking	897	$ 84,595.30
Foreign mat. in eye	96	2.815.84
Jolting	95	29,066.68
Entering or leaving—hand caught in door	779	61,717.59
Skidding, ditching or overturning	563	215,600.96
Operating	74	12,351.26
Caretaking or repairing	1,127	65,235.09
Collisions	972	344,006.33
Around garage	213	35,467.06
Miscellaneous	149	28,092.00
Total	4,965	$878,958.11
4,905 claims for weekly indemnities totalling		$430,432.43
4 claims for dismemberment benefits totalling		$8,783.33
56 claims for death benefits totalling		$439,732.35

Daily Express correspondent states occupation of Ruhr has paralyzed Rotterdam, 70 per cent. of trade being wiped out, 30,000 are unemployed, losing £100,000 wages weekly.

AN AMENDMENT TO FIRE MARSHALS ACT

Limit Time for Paying Tax on Fire Claims Paid by Unlicensed Companies

An amendment to the Fire Marshal's Act has been introduced in the Ontario legislature by Hon. Peter Smith, provincial treasurer, which sets a limit on the time allowed for payment of the 1 per cent. tax on claims paid by unlicensed fire companies in Ontario. This tax has been levied for the past six years but doubt as to the time when it should be paid has existed. The present amendment provides that the amount of the tax shall become due and payable not later than sixty days from the date of filing of the claim on the insurance company or its representative, whether the claim has actually been paid or not. It states that if the claim is sent by mail, the date of mailing is taken to be that on which the claim was filed.

Insurance Dividends Subject of Legislation

Some discussion has arisen in the United States on the accepted policy of fire insurance companies transferring a portion of their surplus to capital. It would appear to strengthen the security behind the policies issued as it takes a fund which might be distributed to the shareholders in the form of a cash dividend or bonus, and makes it part of the company's capital stock. On the other hand it enables the company to pay an increased dividend year by year without an increase in the dividend rate. The result is that the public has little means of judging what shareholders are actually receiving as a return on the money invested.

An amendment, governing future declarations of fire insurance companies, is being proposed in New York state by Francis R. Stoddard, superintendent of insurance. Its provisions and success will be watched by shareholders of fire insurance and similar companies in both the United States and Canada.

METROPOLITAN LIFE

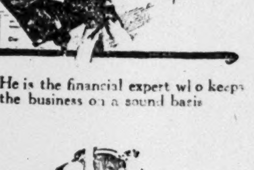
The Metropolitan Life Insurance Company has just issued its annual report covering the business of 1922. The report shows the company's income for the year to be $340,668,301, and total insurance placed and paid for $1,802,110,686, the greatest amount placed in one year by any company in the world. The total assets of the company now stand at $1,259,850,325 and the insurance in force, $7,807,556,957.

In Canada the company has $480,562,364 insurance in force, of which $108,900,017 was placed during 1922. The company's investments in Canada total $94,000,000.

It is interesting to note that the company has 1,600 employees in Canada and over 1,800,000 policies are held by Canadians. The company is engaged in extensive work to aid in extending the lives of its policyholders. Large numbers of books and pamphlets, dealing with health, are distributed free. A staff of nurses is also employed to visit and advise industrial policy-holders in matters of health, and free periodical medical examinations are given its ordinary policy-holders.

Why Insure the Desk
But Take Chances on the Man?

What Would it Cost to Replace these Four Men?


1. He is the financial expert who keeps the business on a sound basis

2. As a Business Getter he could hardly be replaced.

3. His technical knowledge is invaluable

4. As an Organizer he is the Soul of the Business.

As a matter of course your office furniture is insured against fire loss—a wise precaution.

But fire is only a possibility—and furniture is easily replaced.

What about the brains of your business?

They are not so easily replaced, and there is no "salvage".

For that reason Business life assurance is even more essential than fire insurance protection.

The loss of a valuable man through death very often occurs at the most inopportune time. It brings a business face to face with many perplexing problems, which if not anticipated and the risk covered, may mean serious impairment or great loss.

A Canada Life
Commercial Protection Policy

anticipates business difficulties. It provides cash when most needed. It helps steady the business; sustains the credit; and takes care of the matter of replacement and readjustment with least sacrifice to anyone.

It is the only safeguard against an inevitable hour which may bring disaster to your business.

We have valuable suggestions to make—some expert advice to offer.

Write
Canada Life
Assurance Company
Head Office
TORONTO

Canada Life Assurance Company, Toronto
Dear Sirs—Without obligation on our part, please send us particulars of your Commercial Protection Policy.
Name of Firm ....
Address ....
13

THE
WESTERN EMPIRE
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON — EDMONTON
CALGARY — VANCOUVER

British America Assurance Co.
Fire, Marine and Automobile Insurance.
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Ltd. Col. Henry Brock; Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over $52,000,000.00.

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851.
HEAD OFFICE, TORONTO, ONT.
Losses Paid Since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London Eng.) H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

EXCELSIOR LIFE INSURANCE CO.
INC. 1889.
See Our $5,000 Protection and Savings Policy
Age 25 $118.50
Age 30 $130.30
Age 35 $144.70
Cash Guaranteed Exceeds Total Premiums Paid
Write To-day for Pamphlet
HEAD OFFICE - TORONTO

CANADA HAS NO MONOPOLY IN THE WORLD'S MARKETS

Government Cannot Put Gun at Head of John Bull

DR. MAGILL'S VIEWS

Strong Economic Arguments Are Advanced Against the Proposal for a Government Wheat Board

"No government is going to hold a gun to John Bull's head and make him give something for nothing. He will only buy when prices are low enough to suit him. You cannot force him to buy one bushel." In these words Dr. Magill summarized the objections to a Wheat Board in a speech before the Gyro Club of Winnipeg. Dr. Magill's subject was "The Functions of the Grain Exchange." He said that only one idea was held on this subject and that most people thought the Grain Exchange function was to make money. That was not the function however.

It was apparently the same now as in olden days in France when all the troubles of the country were blamed upon the grain dealers of the city of Paris. To-day the real function of the Grain Exchange was to provide a target for all the attacks that inventive minds could conceive. It existed chiefly to absorb the kicks and complaints at conditions, said the doctor.

It was therefore proposed to take the handling of Western Canada's chief crop out of the hands of private capital and to establish a government agency, above the law, compulsory and monopolistic, to oppose the whole of Europe. The Wheat Board was so weak that the courts must be closed to people who would act against it. Courts were to obtain redress against private individuals or corporations but should be closed when a government did wrong. The courts would be closed because some wanted to jam the Wheat Board down the throats of the taxpayers. The taxpayers would only have to pay the bill, it would come out of the same pockets which were now so sorely drained by the heavy demands of an over-governed country.

Canada Has No Monopoly

Canada could not get a monopoly of the world's wheat. It must compete with private marketings in the United States, in Argentine, in Australia and in every wheat exporting country in the world. Canada cannot force Europe to buy one bushel of wheat. The vast export business in Canadian wheat had been built up within the past 30 years by private capital. There were many Old Country men present who had grown to manhood without tasting bread of Canadian flour. Europe got along without Canadian wheat for many years and would do so again unless the price was right, said Dr. Magill.

The government proposed to compete in the most competitive business in the world, said Dr. Magill, and it wanted the courts closed to those who would seek redress against the injustice of the proceeding.

England was now not the rich country of pre-war years. It was burdened with taxation, it was talking of survival rather than supremacy. It achieved its supremacy in world trade, and was coming back again, by driving a hard bargain rather than by sentiment. Old John Bull was an ugly customer to beat. He now in his impoverished condition would buy, as would all similarly fixed European nations, only when prices suited him. No Wheat Board could make him pay more and no government agency could coax him into buying if he did not want to. The idea of forcing prices above the general market level was thoroughly exploded.

Records of 64 years in Chicago, 17 years in Minneapolis and ever since the Grain Exchange operated here, showed that the argument that prices were low in the three heavy delivery months and high the other nine months was absolutely untrue. Those that knew the falsity of the argument were those who had first believed the statement and bought wheat in the fall only to lose their money. That argument against the trade was so thoroughly discredited that it had been abandoned, and that now the cry was to deprive the Grain Trade of its profits. These emoluments of handling grain were enormous, it was thought, yet the number of millionaire grain men was small and out of keeping with the percentage in other lines. Taking the profits of the grain men was the present substitute for making importers pay more. But the profits were not large. An immense volume of business, a wonderful organization and a very small margin made some of the companies show a profit. There was no business in Canada where a smaller margin of profit was made than in the grain business.

Cost of Wheat Board

"If they take the profits," said Dr. Magill, "how much farther ahead will trey be? It cost the former Wheat Board as much to handle the crop as it did private capital. There was no saving whatever." The Wheat Board has to use the 4,000 country elevators, the 53,000,000 bushel capacity at the head of the lakes, the 35,000,000 at the lower lake and eastern points, and it cannot get these facilities without paying the reasonable charges which the grain trade now asks and would ask of them. The Wheat Board would have to use and pay the present staffs, and it would require more staffs. The profits of the trade would be eaten up by the Wheat Board and the taxpayers would have to stand any losses which would accrue in the operation of the Board.

"Why all this agitation for a Wheat Board?" asked Dr. Magill. Read the Free Press editorial on Thursday and you would have the cause. The editorial was confused. It admitted the Wheat Board was no good and was only being forced through because its failure meant political trouble for somebody. Premier Bracken was afraid that Premier Dunning or someone else would come down and give him a sound trouncing if it did not go through. The only argument in favor of the bill was held by the few who felt that all means of producing and distributing wealth should be through government channels. If it was logical for grain, it was logical for coal, lumber, milk, eggs, meat and all other commodities. The government had no right to handle one line more than another.

Manitoba, with a population of only 613,000, was now overburdened with taxation. Its chief need was more capital and then possibly more people. "Is it wise," asked the Doctor, "to interfere with capital in a country of this numerical strength where the government is now gasping for more money?"

A measure such as a Wheat Board reversed all our history. It was an experiment which was without chance of success. The experiment could only result in heavy financial responsibility and possible loss. Gain or advantage was out of the question.

NEW MUNICIPAL AMUSEMENT TAX MAY BE LEVIED

Held to be Proper by Saskatchewan's Courts

From Our Own Correspondent.

REGINA.—Of interest to every city and municipality throughout Western Canada, is the decision of the Saskatchewan Court of Appeal to the effect that the amusement taxation by-law of the city of Moose Jaw is valid. Under the decision—which reverses the District Court ruling of Judge Ouseley—the city may legally levy and collect taxes on any and every form of public entertainment, including sport.

The avenue provided for increasing incoming municipal revenue should prove a most lucrative source and doubtless one which other cities and towns will not be slow to take advantage of. The chief recommendation in regard to amusement tax is that the pleasure-loving public pay it; that business is not seriously endangered as a consequence and because it hits the luxury category, not the necessaries of life.

Levy upon luxuries is considered the ideal form of taxation by the proletariat. In theory it hits the rich and causes that class to contribute the bulk of the money required for public financing. In the west, however, the situation is somewhat different. Amusements are regarded almost as essentials. The long, cold winters, the hot summers, the absence of lakes, seaside resorts, mountains and forests on the prairies, throw the people upon their own resources for entertainment.

Another important point to be considered by those who levy the taxes which provide sinews for governments, is to have an impost which can actually be collected—or at least a large proportion of it. The amusement tax would seem to be in this category. Those who contribute to it, are easily and inexpensively reached.

Stamp Tax Unpopular

It might be argued that the stamp tax is in the same department, but the unpopularity of that measure and the fact that it is a direct contribution to higher living costs, makes evasions many under its provisions. The increased expense which it entails for merchants is, of course, passed on to the consumer along with the cost of stamps.

In regard to the income tax, there is a very strong opinion in the west that this should be confined to the federal government only. In some places there is not only a federal and provincial levy in this regard, but a municipal levy as well, all upon identically the same basis. In Regina, residents are assessed for income by federal government and by the city.

The dissatisfaction which is the natural outgrowth of these duplications in taxation is being made manifest in the widespread demand for consolidation of federal, provincial and municipal systems of levying taxes. Taxpayers are now called upon to pay to almost the limit of their resources, but the bulk of their contributions—at least an out of proportion amount—is eaten up in the administrative collection costs. With consolidation in tax collection, the ground would be gone over once and large duplicate staffs would be eliminated.

Goes on Canadian Connecticut Board

From Our Own Correspondent.

MONTREAL.—W. R. G. Holt has been elected a member of the board of directors of the Canadian Connecticut Cotton Mills, of Sherbrooke, at the annual meeting in New York on March 20.

Mr. Holt is a son of Sir Herbert Holt. He was at one time connected with P. S. Ross and Sons, and is now with Harris, Forbes and Company in this city. The Canadian Connecticut Cotton Mills rank as the largest manufacturers of auto tire fabrics in Canada. The plants are now working at full capacity night and day.

AID NECESSARY TO DEVELOP IRON ORE OF CANADA

(Continued from Page 2)

a result of a few holes in the extreme easterly end of this range—and this range is only one of a half dozen or more in the Western and Northern parts of Ontario, to say nothing of other parts of Canada?

How to be Overcome

How are these hills of difficulty to be overcome and the present situation changed for the better?

By affording some special incentive to initiative and enterprise in the utilization of our deposits and the proper exploration of our ranges, and—

By affording some inducement to Canadian furnaces to experiment with and use Canadian ore.

Two large investments, at the Helen and Magpie Mines and at Moose Mountain, are lying idle because the concentrated products have not a profitable or assured market at present cost of production in their present form. Were it possible by some incentive to start these products moving in large quantities for a time the momentum would keep them moving thereafter.

Some incentive which would operate as a differential to meet the cost of treating the sulphur in the Antikokan ore and the extra cost of handling at the water front would put that idle mine and the Antikokan furnace into operation.

A reasonably sufficient incentive would attract enterprise and capital to the beneficiation of the extensive bodies of low grade ore, magnetic, hematite and siderite, which are exposed in different places, and which are as high and in some cases higher in iron content than are being utilized elsewhere on this continent and almost generally in Europe.

But more important and far-reaching still and probably more certainly, a sufficient incentive would, at the present time, surely attract the initiative, enterprise, courage, persistence and money to carry on proper intensive exploration of the known iron ranges we possess, and to discover others and just as surface exploration and the discovery of surface outcroppings in many places and over large areas have proved the correctness of geological deductions as to the existence of many large areas of iron formation, the underground exploration of these areas is sure to disclose the assembling at numerous points in these iron formations, of the iron elements in such concentrated form as to constitute shipping ore bodies.

Where should these incentives and inducements come from?

From the province, in the first place, which will ultimately reap the benefit from the added wealth of those parts of the province in which the industry is established.

From the Dominion in the second place, which will derive the advantage of the increased industry and trade, built on a solid foundation, resulting therefrom.

Whence otherwise should encouragement also come?

From the iron and steel industry of Canada and the business and transportation interests generally.

In what form should such latter encouragement come?

In a readiness on the part of the iron and steel industry and business interests to weigh and consider evidence submitted and on reasonable evidence make reasonable bets on the discovery of shipping ore and on the utilization by beneficiation of leaner deposits.

In a readiness on the part of transportation interests to anticipate somewhat the possibilities of ore development in given localities, and on probabilities based on reasonable grounds, anticipate shipping requirements, and to consider and establish rates to encourage the development of traffic in iron ore.

Provincial and Federal incentives should manifestly be of a general character that is available to induce and secure all the different activities aimed at and be based on results and thus cost nothing unless results are obtained and the offer might remain open for a limited period only and likewise extend only during a limited period.

The provincial incentive should be of the type which will appeal to and attract the activities of the prospector, developer, and man with money who can afford and is willing to take the risk on prospects which appeal to him, and which will leave open markets which will make possible volume in production and for transportation.

Prospectors, developers and men who were willing to take such risks opened up all the Minnesota Ranges.

We have been waiting for them to do the same with the Ontario ranges—but we have not had and have not now the same drawing conditions, and thirty years of waiting since the first Mesabe shipment finds us farther away than ever by reason of equipments, facilities and channels of trade being established and entrenched in other quarters.

Given the special incentive, inducement and encouragement indicated and the attention of prospectors, developers and men who can and will take the risks will be secured; the intensive exploration of our ranges will be undertaken; shipping mines of high grade ore will be opened up and beneficiating plants will be put into operation; and the situation deplored at the outset of this article will be changed and our heritage in the pre-Cambrian area be made to yield up its treasures of iron ore, and Canada come to its own as an iron ore country.

Will we as a province and country fail to meet the needs of the situation? Surely not..

Butler-MacCulloch
Limited
Insurance General Agents, Fire, Hail, Automobile, Miscellaneous.
409 Hammond Bldg.,
MOOSE JAW, SASK.

Assessment System
THE CANADIAN ORDER of CHOSEN FRIENDS
Good Features
A Government endorsed twenty-year paid-up plan.
Whole family life insurance, at Government standard rates.
The best sick and funeral benefits. Double sick benefits, by paying double rates.
An up-to-date child insurance department.
Further particulars gladly furnished by corresponding with
John L. Davidson, Grand Councillor, 540 Euclid Ave., Toronto, Ont.
W. F. Campbell, Grand Organizer, Hamilton, Ont.
Wm. F. Montague, Grand Recorder-Treasurer, P.O. Drawer No. 349, Hamilton, Ont.

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Consult us before extending credit or if customers are delinquent.
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CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

DIRECTORS:

A. E. DYMENT, President.
STEPHEN HAAS, Vice-President.
J. J. ASHWORTH, General Manager.
GEORGE W. BEARDMORE, H. C. COX, COL. THE HON. SIR J. S. HENDRIE, C.V.O., F. GORDON OSLER, SIR HERBERT HOLT,
SIR JAMES LOUGHEED, K.C.M.G., W. L. MATTHEWS, SIR WILLIAM MACKENZIE, W. G. ROSS, W. D. ROSS.

ANNUAL REPORT OF THE DIRECTORS

Submitted to the Shareholders at the Annual General Meeting of the Company in Toronto, on Wednesday, March 28th, 1923.

Your Directors submit herewith to the Shareholders the Balance Sheet of the Company as upon the 30th day of December, 1922, the Combined Statement of Profit and Loss for the year, and the Certificate of Messrs. Price, Waterhouse & Company, Chartered Accountants.

Reviewing briefly the business conditions of the past few years, you will remember that your Directors' Report for the year 1920 called attention to the fact that in the last six months of 1919 more business had been booked than for any similar period. This growth in business continued and increased during 1920, taxing the capacity of the different plants, and business to the amount of seven and one half million dollars was carried over into 1921. In that year, however, a great trade depression developed, but the large carry-over referred to enabled the Company to do fairly well in a bad year. Unfortunately, the depression continued throughout most of the year 1922, and since only a relatively small volume of business was carried over from 1921, it was anticipated that the year just ended would be unprofitable, and so it has turned out.

The results were especially discouraging during the first nine months of the year, because of insufficient manufacturing orders to keep the various departments of our Works operating upon an economical basis, and the continued falling off in the demand for Electrical Appliances and General Supplies. During the last three months, however, an improvement was observed in nearly all Departments, and since the close of the year there has been a marked increase in the volume of orders received, your Company having secured important contracts for Electrical Apparatus and Hydraulic Machinery. It would, therefore, appear that, while it is impossible to forecast the future, we are now entering upon a period of much greater activity than has prevailed for the last two years.

The Profit and Loss Statement now submitted shows a profit of $532,791.22 earned, and from this is deducted the sum of $428,227.12 for interest charges, leaving a net profit of $104,564.10 which has been carried to the credit of Profit and Loss Account, making a total credit of $662,290.23. An aggregate amount of $841,879.00 was paid for dividends at the rate of 7% per annum on the Preference Stock, and 8% per annum on the Common Stock for the first quarter and 6% per annum for the remainder of the year. It will thus be seen that it has been necessary to draw upon our accumulated earnings to the extent of $737,314.90 to provide for dividends.

In this Report I must draw your attention to the fact that no amount has been specifically reserved for depreciation. During prosperous years it was our custom to set aside and carry forward large amounts as a Reserve for Depreciation, which amounts were sometimes more than was actually necessary, the object being to provide against the possibility of encountering such periods of depression as that with which we are now met. This Reserve for Depreciation stands at $5,164,923.31, and this year, therefore, your Directors have not considered it necessary to augment this amount, but all repairs and replacements have been charged direct to Expense Account.

The decrease in the balance at the credit of Depreciation Reserve at December 30th, 1922, as compared with 1921, results mainly from the writing down of the values of Machinery and Equipment for which large depreciation provisions had previously been credited to the Reserve.

During the year your Company acquired the balance of the outstanding Capital Stock of the Canadian Edison Appliance Company, Limited, manufacturers of electric household appliances, and therefore the attached Consolidated Balance Sheet at December 30th, 1922, includes the Assets acquired from and Liabilities assumed of that Company. This accounts to a large extent for the increase in the Capital Assets at December 30th, 1922, as compared with the previous year.

As has been the custom of the Company, the Inventory has been taken into the Balance Sheet on a safe basis, namely, at cost or market value, whichever was at the time the lower, and sufficient provision has been made to take care of anticipated losses in our Accounts Receivable.

During the year Marconi's Wireless Telegraph Company, Limited, of Great Britain, which with your Company owned the controlling interest in the Marconi Wireless Telegraph Company of Canada, Limited, intimated the necessity of a large expansion in the activities of the Company and that several millions of dollars would be required for this purpose. Your Directors felt that as we were manufacturers, and not operators of Public Utilities, we should not join with such policy of expansion, although it seemed a necessary one from the standpoint of the Canadian Marconi Company, consequently negotiations were entered into with the British Company, and an agreement was concluded whereby we disposed of our Stock-holdings to that Company for cash and recovered certain manufacturing rights under our Patents, which rights we had previously assigned to the Canadian Marconi Company. It will thus be seen that we have a real cash asset in our Patent Rights, yet we continue to carry them on our Balance Sheet at one dollar.

Early in the year, with very little business offering, and some of our Plants practically idle, it was quite evident to the Management that the usual dividends could not be earned on the Common Stock, particularly as there was 20% more stock outstanding as the result of the bonus of the preceding year. Your Directors after very careful consideration came to the conclusion that they should be as helpful as possible to the Shareholders at a time when dividends by many other Companies were either being materially reduced or passed altogether, and consequently the Common Dividend was reduced only to a 6% basis, which gives a return of almost as much as the 8% dividend before the stock bonus of 20% was made.

As explained at the last Annual Meeting of the Shareholders your Directors had under consideration, as a means of providing additional Capital to liquidate our bank indebtedness and for other purposes of the Company, the question of issuing Debentures rather than by issuing more Capital stock, and it was stated at that time that negotiations to this end were in progress. These negotiations were successfully concluded, and a Special General Meeting of the Shareholders was held on April 22nd last, at which meeting a By-Law covering the issue of Debentures to an amount of $10,000,000.00 was duly ratified and confirmed by the Shareholders. Of this amount $5,000,000.00 of Debentures were issued, being designated as Series A, Twenty-Year Six Per Cent Gold Debentures, bearing date April 1st, 1922, and maturing April 1st, 1942, redeemable on any interest payment date prior to maturity as a whole or in amounts of not less than $1,000,000.00 at any one time. These Debentures do not constitute a prior charge on any part of the property of the Company, but rank the same as our liabilities to our bankers and other creditors. As an indication of the sound financial position of your Company, it is gratifying to know that the issue was over subscribed within a few hours after the offering was made.

It is with pleasure that I express my appreciation of the hearty co-operation of the Board of Directors, and of the valuable and faithful services rendered by the Officers and employees of the Company during the year.

On behalf of the Directors I beg to move that the Balance Sheet as at December 30th, 1922, and Consolidated Surplus Account, as certified to by the Auditors, and the Report of the Directors to the Shareholders, be and are hereby received and adopted.

A. E. DYMENT, President.

CONSOLIDATED BALANCE SHEET, 30th DECEMBER, 1922

ASSETS.

Capital Assets—		
Land, Buildings, etc., at Toronto, Peterboro, Bridgeburg, Stratford, Montreal, Branch Offices and Power Plant at Nassau		$12,048,739.87
Machinery and Tools		7,727,390.73
Patterns and Drawings		1,075,206.55
Patents, Contracts and Goodwill		1.00
Total Capital Assets		$20,851,338.15
Current Assets—		
Inventory of Raw Materials, Supplies, Work in Progress and Finished Materials, including expenditures on Contracts, (less collections on account)	$6,518,160.92	
Accounts Receivable (less Reserve for Doubtful Accounts)	3,766,843.63	
Mortgages Receivable	75,000.00	
Investments	775,972.65	
Cash on hand and in Banks	595,624.03	
Total Current Assets		11,731,601.23
Deferred Charges—		
Balance Debenture Discount, Unexpired Insurance, etc.		253,456.50
		$32,836,395.88

LIABILITIES.

Capital Stock—		
Common—Authorized	$18,000,000.00	
Preference—Authorized and Issued	2,000,000.00	
	$20,000,000.00	
Common—Issued		$10,800,000.00
Preference—Authorized and Issued		2,000,000.00
		$12,800,000.00
Twenty Year 6% Gold Debentures—		
Authorized	$10,000,000.00	
Issued		5,000,000.00
Mortgage Obligations on Properties Purchased		58,750.00
Deferred and Contingent Liabilities		253,503.87
Current Accounts and Bills Payable		2,576,817.97
Dividend on Common Stock Accrued, Paid January 1st, 1923		161,989.50
Reserve for Depreciation		5,164,923.31
SURPLUS per Account Annexed—		
Reserve	$ 7,000,000.00	
Less Profit and Loss	179,588.77	
		6,820,411.23
		$32,836,395.88

CONSOLIDATED SURPLUS ACCOUNT

Profit for the year ended December 30th, 1922, before providing for Depreciation and Interest charges	$532,791.22
Less—	
Interest and Exchange	428,227.12
Net Profit for the Year	104,564.10
Add—	
Balance at credit of Profit and Loss at December 31st, 1921	557,726.13
Together	$662,290.23
Reserve—	
As at December 31st, 1921	7,000,000.00
	$7,662,290.23
DEDUCT—	
Dividends paid on Preference and Common Stock	841,879.00
Surplus per Balance Sheet	$6,820,411.23

A. E. DYMENT, President.
STEPHEN HAAS, Vice-President.

With our Report to the Shareholders dated 12th March, 1923,
PRICE, WATERHOUSE & CO., Auditors.

GRAND TRUNK WAS RESPONSIBLE FOR RAILWAY SURPLUS

This Section of Government Lines is Improving at Rapid Rate

OPERATED AT 88%

Any Grand Trunk Surplus Will Have to Meet Interest on G.T.P. Debentures

From Our Own Correspondent.

MONTREAL.—The Grand Trunk Railway is proving the profitable end of the Canadian National system and is providing a good surplus over operating charges. Hon. George P. Graham's figures in the House of Commons this week were significant evidence of the improvement in the Grand Trunk earnings. It was the Grand Trunk's surplus of some $12,000,000 that more than made up for an operating loss of some $9,700,000 on the Canadian National portions of the government system, and made an operating surplus of $2,200,000 possible.

The Grand Trunk in 1922 had a ratio of expenses to earnings of 87.94% which was a substantial improvement from the previous year's high operating ratio of 95.53%. The 1922 figure compared quite favorably with the C. P. R.'s 1922 ratio of 80.55%. But the other portions of Sir Henry Thornton's system were far from giving so satisfactory an account of themselves. Outside of the Grand Trunk portions the operating ratio was 108.10%, which was not a great improvement over the 1921 figure of 112.77%. Taking the figures for the whole line the operating ratio worked out at about 99% as against 105% in the previous year. The deficit became a small surplus.

Deficit $1 Less Per Head

The result of the year's operations was that the deficit after payment of fixed charges on all the government owned lines was $60,251,845 or about $7 per capita as against $72,662,278, or about $8 per capita in the previous year. A study of the following table will indicate what portions of the line were responsible for the improvement that was shown:

COMPARING THE DEFICITS

Before Fixed Charges

	1921	1922
—Deficits—		
Can. Govt. Rails..	$5,714,733	$2,496,722
Can. Northern	6,475,911	2,946,729
Grand Trunk Pac.	4,029,691	4,292,866
Central Vermont ..	931,986	54,437
—Surpluses—		
Grand Trunk Rly.	$4,505,271	$12,120,000

After Fixed Charges

	1921	1922
—Deficits—		
All National Lines	$56,989,976	$51,103,296
Grand Trunk Rly.	14,064,442	8,411,724
Central Vermont	1,607,586	736,814
—Surpluses—		
None.		

Net result of all lines, deficit after fixed charges, 1922	$60,251,845
Deficit in 1921	72,662,278
Improvement in year	12,410,433

C.P.R. and C.N.R. Compared

How the Canadian publicly owned lines compared in 1922 with their great privately owned competitor, the Canadian Pacific Railway, can be judged from these figures:

Comparing the Lines

	C.P.R.	C.N.R. & G.T.R.
Mileage	13,536	22,665
Gross Earn. ..	$186,675,036	$234,111,090
Work. Exp. .. Inc. taxes	150,373,345	231,908,317
Oper. Surplus..	36,301,691	2,202,783
Fixed charges.	13,848,906	62,454,628
Surp. or Deficit	22,452,785 (Sur.)	60,251,845 (Def.)
Previous year	22,182,668 (Sur.)	72,662,278 (Def.)

Ratio Expense to Earnings

1922—80.55%; C.N.R., 108.10%; G.T.R. 87.94%; whole system, 99%.
1921—82.28%; C.N.R., 112.77%; G.T.R. 95.53%; whole system, 105%.

G. T. R. Debentures

The Grand Trunk improved its position during the year by about $6,000,000. Whereas in 1921 it fell short by $14,000,000 of paying all its fixed charges, in 1922 it was only about $8,000,000 short. It is probable that the Grand Trunk will continue to inrease its revenue and decrease its operating ratio to such an extent that the annual deficit on this branch of the Canadian National system will be wiped out in another year or two and a surplus over fixed charges will be shown. This seems to hold out some hope for the holders of the Grand Trunk Pacific Railway 4 per cent. debentures. These are mostly held in Britain. No interest has been paid since March, 1919, for while these payments are guaranteed by the Grand Trunk Railway it is provided that they shall not be paid unless the interest is earned by the G. T. R. over and above its own fixed charges. The government is meeting interest on the Grand Trunk 4's but not on the Grand Trunk Pacific 4% debentures and for 1922 the charges on the latter are not shown as a fixed charge although in 1921 $1,428,293 was shown as a liability on account of this interest. While the government evidently has no intention of assuming liability for these interest payments until earned, the Grand Trunk may conceivably earn the interest at an early date. Recent quotations show that these debentures are selling in London at about 58 as compared with 78 for the Grand Trunk's 4's. The difference represents the speculative feature of the Grand Trunk earnings.

International Chamber of Commerce in session at Rome has unanimously approved a resolution favoring a world economic conference including pronouncements on reparations, interallied debts, interallied credits and budgets and exchange questions.

General Approval Given Bank Act Amendments of Mr. Fielding

Various Interests Find Fault With Specific Clauses—Regret Heard in Passing Up Inspection Feature—Interesting Views From West

Views of the Bank Act amendment are varied. It seems generally accepted that the act on the whole is good, but that there are a few points that might well be dealt with. The amendments for the most part are meeting with a favorable reception. There are those who feel that the minister of finance, Hon. W. S. Fielding, might have gone a little farther in some ways. Some of these changes may be termed sectional. The one general amendment which there is a feeling in favor of is that of bank inspection, the appointment of a superintendent of banking. The sectional views come from business, banking and agriculture.

Business, it is to be expected, will be found hostile to amendment 88A, which is declared in some quarters to call upon a man to make a public declaration that he is a borrower. This section calls on business houses to register at Ottawa the fact that they are going to borrow. This record is open to the public. Some business interests declare that there is no parallel to such a proposal. The chattel mortgage or lien note, they say, does not compare. It is understood that the amendment comes from complaint of British traders who have shipped goods to Canada and found out that they were swallowed up by the bank in bankruptcy proceedings. That the proposed amendment is not a desirable form of remedy, is the view expressed. The views of the manufacturers of the Dominion are being solicited. A questionnaire on the matter is being sent out. As to the other sections which are being amended, the view of business is that they make the banks safer for themselves and for the shareholders.

The farmer view is that the amendments leave them out in the cold. There were those who expected to see some bowing to the demand of the West for additional credits. It might be said also that there were bankers with heavy Western leanings, notably W. R. Allan, president of the Union Bank, who would like to see some change providing further encouragement in banking facilities for production in the case of all natural products. Mr. Allan's statement in this regard follows: "In particular is it necessary that bankers' advances for direct use in production of any kind should be securely guarded and made certain of return out of matured or finished product."

This proposal involves the mortgage and loan companies. They are already in deep in the West. A first claim to the banks on a crop would further affect the mortgage holder. The prairies are already reaping the whirlwind of previous interference of this nature. It came from the paternal legislation which placed the claims of mortgage holders behind that of the government and municipal crop loans. This had resulted in many companies withdrawing from business in the West. Federal legislation of the nature that is being urged would only add to their troubles.

West Dissatisfied

The Manitoba Free Press characterizes Mr. Fielding's statement upon the Bank Act as "a standpat utterance in the fullest sense of the term." It complains that he has taken sides with Sir Frederick Williams-Taylor in his capacity as president of the Canadian Bankers' Association. "Mr. Fielding echoes the opinion of the president of the bankers' association that this act is so nearly perfect that only minor and insignificant amendments are required," it points out.

On the question of governmental inspection, the paper says: "The minister is equally opposed to the suggestion that there should be government inspection of banks." It is pointed out that Sir Thomas White, ten years ago laid stress upon the impossibility of inspecting the branch banks. The Free Press wants government bank inspection.

Mr. Allan, of the Union, finds support in the Free Press for his scheme of aiding production. The paper registers keen disappointment that the minister gave no hint of new credit structures for primary production, declaring: "Nothing in Mr. Fielding's remarks suggests that he has the slightest realization that there is in Canada a great and difficult problem of agricultural credits about which something must be done."

Western Bankers' Views

By E. CORA HIND.

WINNIPEG. — While Winnipeg bankers decline to commit themselves definitely with regard to the Bank Act Amendments, their attitude on the whole might be interpreted as one of approval. They would appear to like the addition to Section 88 of the Bank Act which deals with the registration of securities for loans as making a further safeguard both to the banks and to other creditors of any business concern.

The amendment dealings with deposit privileges will be an important one for Manitoba as this province at present has no law to prevent individuals or companies operating under a provincial charter, accepting deposits without restraint. There is no provincial government inspection for the books or accounts of such concerns. An act providing for such control and inspection has been agitated for some years but so far nothing has come of it.

Under this proposed amendment any person or company receiving deposits or transmitting money to other countries must do so under a statute lawfully enacted, either provincial or Federal, and would at once come in for close supervision, or, as another alternative, secure a license from municipal authorities and in order to secure such license would be obliged, in addition to substantiating its bona fides, to do such a business and receive such deposits, would have to deposit with the municipal authorities 25% of the amount on deposit or for transmission.

In no case is the amount of such deposit, or the market value of the bonds, representing the deposit, to be less than $10,000. Winnipeg city officials interviewed were of the opinion that there would not be many persons or companies who would want to operate under the license system.

They would be more likely to amend their charters to give them the right to accept deposits. H. C. Thompson, city treasurer, expressed the opinion that if the City of Winnipeg was to be called upon to give licenses of this kind, that a fee would be charged to cover the cost of machinery for the necessary supervision. More than one man expressed the opinion that had such a clause been in force, it would, in all probability, have prevented such a disaster as the failure of the Dominion Ticket and Financial Corporation in which deposits to the tune of three-quarters of a million dollars have been wiped out.

Loan and Mortgage Company officials, most of whom are already under Federal supervision, approve of the suggested amendment. Indeed, it is stated that no well regulated company will have any objection to conforming with its provisions.

More Facts About Chippawa

The story of the Chippawa development—a story of a project hazily conceived and carried through without definite estimates and with the expenditure by the Hydro Commission of many millions of the peoples' money over which the representatives of the people exercised little control—is now being told before the Gregory Commission. It is a story which fully justifies all the apprehensions which have been entertained regarding the manner in which the engineering and financing of the big project have been carried out—a story which, however, contains little new for readers of THE FINANCIAL POST, who have time and again been told of the recklessness and inefficiency which has marked this gigantic public ownership enterprise.

Out of the tangle of testimony being submitted, Hon. N. W. Rowell, counsel for the commission, is piecing a story of a venture carried through in a manner nothing short of reckless, when the proportions of the undertaking, the lack of definite estimates and the attitude of the Hydro Commission in regard to legislative control are taken into consideration. The following summary of various estimates compiled by Mr. Rowell after careful study of the available reports and information is from The Toronto Star:

Date	Installation H.P.	Canal Capacity	Cost	Per H.P.
June, 1915	100,000	200.000	$10,410,234	$104
January, 1916	200,000	200,000	13,149,803	65
November, 1917	300,000	300,000	24,316,815	81
January, 1919	300,000	500,000	25,102,915	.84
Late in 1919..	300,000	500,000	27,025,635	90
September, 1920	250,000	500,000	43,371,000	173
April, 1921	250,000	500,000	55,000,000	220
March, 1922	250,000	500,000	65,000,000	260
March, 1923	250,000	500,000	64,000,000	256

It will be noted that the estimates of capital cost range all the way from $65 to $260 per horse power. The estimated production was increased from 100,000 horse power to 500,000 horse power but as these increases were made the cost per horse power continued to mount. And Mr. Rowell emphasizes that there is nothing on record to show that such important changes as the enlarging of the canal were ever formally approved by the Hydro Commission, although the expenditure of additional millions was involved. Nor is there any record on the minutes about increasing the capacity of the development to 500,000 horse power; the inquiry the Hydro engineers were unable to produce any authority for the changes made.

The inquiry has thoroughly justified the appointment of the commission and the policy of the Drury Government in endeavoring to re-establish legislative control over the Hydro Commission which has been running amuck in spending the people's money. The chief significance of the figures submitted in regard to the cost of the Chippawa development is that the industrial community will be handicapped rather than benefitted.

The Hydro estimates that the five units now installed can be increased to nine units or 550,000 horse power at a total cost of $74,000,000 which evidently would not include expenditures on transmission. When interest on capital, sinking fund allowances, distribution costs, etc., are taken into consideration the first cost of power comes high, even with the consumption of maximum output, without thought of the fact that the Hydro pays little or nothing in the way of taxation and that much more efficient plants must be scrapped in order to provide the water with which the new development can be operated.

SALE PRICE NEW BRUNSWICK POWER ABOUT $15 SHARE

New Owners Are Federal Light and Traction Corporation of U.S.

From Our Own Correspondent.

MONTREAL.—Sale of the New Brunswick Power Company to a strong group of public utility operators in the United States has not cleaned up the unsatisfactory situation existing between the company and the city. It brings into the management of the company, however, a group of operators of experience and financial strength who, it is hoped, will be able to bring about a better feeling between the company and the civic authorities.

The purchasers of the New Brunswick Power Company are the Federal Light and Traction Corporation which controls railway, light and power enterprises in New Mexico, Virginia, Washington, Colorado and other states. The corporation is headed by Messrs. Sanderson and Porter, who have an international reputation in the utility field. The Colgate interests are also heavily interested financially in the corporation. The Federal Light and Traction has total assets of more than $25,000,000 and enjoys a gross annual revenue of about $5,000,000.

The sale involved the purchase of the common stock of the New Brunswick Power, THE POST is unofficially informed, and the price mentioned is $15 a share. As there was $2,000,000 par value of stock outstanding, al very closely held, the purchase price is about $300,000 for the common stock.

New Brunswick Power Company operates the light and power plants and distribution system, the gas system and the street railway in St. John and district, where there is a population of about 100,000. The bonds and preferred stock are largely held in New England and are not affected in this sale, it is understood. There are outstanding $1,869,000 of 5 per cent. bonds due 1937; $1,000,000 of 7 per cent. cumulative first preferred and $350,000 of 7 per cent. non-cumulative preferred.

The City of St. John has for some time been planning to go ahead with the construction of a publicly-owned light and power distribution system in the city in competition with the New Brunswick Power Company. The city would purchase power from the provincial government development at Mushquash Falls and planned to distribute to the citizens at cost. The company protested against this invasion into what it considered its field and the city offered to purchase the plant at $2,577,000, giving the company a few days to accept the offer or leave it, in which case the city would parallel the lines of the company in the city. Protests were made by representatives of the Bond Dealers' Association of Canada and the Investment Bankers' Association of America against this method of price fixing. The price was not protested by the financial men but it was felt that only by arbitration could a fair valuation be determined.

Judging by the showing made last year, the prospects for a rapid improvement on those portions of the National system outside of the Grand Trunk are not good.

SOME REDUCTION IN THE DEFICIT NATIONAL RAILS

(Continued from Page 1)

$28,000,000 in 1919 to over $41,000,000 last year.

The advances made by the government to the railways last year were $77,529,803, bringing the total advances to the Canadian Northern, the Grand Trunk and the Grand Trunk Pacific up to $551,511,811. Of these, the Canadian Northern has received $350,032,747; the Grand Trunk, $92,527,737; the Grand Trunk Pacific, $108,951,317.

These figures show that the experiment of government ownership is proving a very costly one, and that the expense is not being reduced very rapidly. There was a considerable reduction in operating expenses during the year, but a portion of this was eaten up in increased fixed charges.

The biggest share of the improvement is due apparently to the Grand Trunk, and especially to its American mileage, which has reaped much advantage from the large increase in general business on the other side, while its earnings have not been so deeply cut into through rate reductions as they have been in Canada.

In this connection it may be observed that the rate reductions of the last year have hit the Canadian roads very hard. There were two of these, that of December, 1921, and the return of the Crow's Nest rate scale on grain, together with other reductions granted on basic commodities last year. Mr. Graham estimates that the Canadian National lost $6,500,000 in earnings through the Crow's Nest scale. This is quite probable when one finds that in spite of the fact that it moved over 12 per cent. more freight than in 1921, the operating revenue of the Canadian National, without the Grand Trunk, was about $7,000,000 less than in 1921.

Insofar as the Canadian National portion of the government system is concerned, Mr. Graham's remarks on earnings were rather pessimistic. He noted that the decrease in passenger service was disappointing in view of the better service provided, and also in view of the fact that, generally speaking, passenger rates in Canada are slightly below those in the United States. He added: "A good year was expected, and provided for, but the traffic did not materialize."

BRITISH CAPITAL FOR MANITOBA PULP PLANT

Large Areas of Pulpwood Available in Heart of the Dominion

From Our Own Correspondent.

WINNIPEG.—British capital, it is rumored, will finance the new undertaking of the Manitoba Pulp and Paper Company. The federal charter for Manitoba's pioneer pulp and paper enterprise having been granted, interest naturally centres upon the financing of this $4,000,000 project. If the bulk of this new capital comes from overseas, as is the current expectation, it will be the most notable contribution of British funds to any one Manitoba industry since the war. More than that it will commence for Manitoba a new industrial era that has primarily been possible by the further development of Manitoba's hydro resources. In this connection it is significant that Dr. R. Magill, secretary of Winnipeg Grain Exchange, speaking at the Gyro Club luncheon during the week, gave as his opinion that new capital probably more than new immigrants was the need of the western provinces at the present. The new pulp company will become one of the Manitoba Power Company's first important consumers.

The getting under way of the Manitoba Pulp and Paper Company will bring forward the potentialities of Manitoba. Recently the Winnipeg Tribune made the statement that "Manitoba can produce more pulp annually than is now used in the whole of the Dominion. Experts estimate the available supply of pulp wood in the three principal tracts located up to the present at 24,500,000 cords, but this by no means exhausts the possibilities." The Manitoba Pulp and Paper Company will be sponsored by the J. D. McArthur interests and the pulp mill will be established at Fort Alexandra. This will have the advantage of being within twenty miles of the new plant of the Manitoba Power Company at Great Falls. It will be necessary to connect up the new pulp mill with a new railway line, but it is understood that the final arrangements for the construction of the line will be authorized by the provincial legislature before the end of the present session. When this bill goes through active building will be started, and, simultaneously, the erection of the mill is expected to get under way.

H. H. Champ, secretary-treasurer of the Steel Co. of Canada, is taking a bit of a holiday in Bermuda. He will be back in Hamilton shortly and will be at the annual meeting of the Steel Company in April.

Dominion Coal Company, Limited

Notice of PREFERRED STOCK DIVIDEND NO. 70

A quarterly dividend of one and three-quarters per cent. on the Preferred Stock of the Dominion Coal Company, Limited, has been declared payable 1st May, 1923, to shareholders of record on 12th April, 1923.

By order of the Board of Directors.
C. S. CAMERON,
Secretary.

Montreal, March 22nd, 1923.

Canadian Industrial Alcohol Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one per cent. (1%) has been declared on the Capital Stock of this Company for the Quarter ending March 31st, 1923, payable April 16th, 1923, to Shareholders of record at the close of business March 31st, 1923.

By order of the Board,
S. G. TURNBULL,
Secretary.

CANADIAN COTTON,S LIMITED

Notice is hereby given that a Quarterly Dividend of One and a Half per cent. (1½%) has been declared on the Preferred Shares of this Company, payable the 4th day of April, 1923, to Shareholders of record the 27th March.

Also that a Quarterly Dividend of Two per cent. (2%) has been declared on the Common Shares of this Company, payable the 4th day of April, 1923, to Shareholders of record the 27th March.

By order of the Board.
A. BRUCE,
Secretary-Treasurer.

Montreal, March 19th, 1923.

MAPLE LEAF MILLING CO. LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that Dividends have been declared for the quarter ending April 3rd, 1923, of 1¾% on Preferred Stock and 2 per cent. on Common Stock, payable April 18th, 1923, to Shareholders of record at close of business April 3rd, 1923.

By Order of the Board,
JOHN CARRICK,
Secretary.

CANADIAN PACIFIC RAILWAY COMPANY

NOTICE TO SHAREHOLDERS

The Forty-second Annual General Meeting of the Shareholders of this Company for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the second day of May next, at the principal office of the Company, at Montreal, at twelve o'clock noon.

The Common Stock Transfer Books will be closed in Montreal, New York and London at 3 p.m. on Tuesday, the third day of April. The Preference Stock Books will be closed in London at the same time.

All books will be re-opened on Thursday, the third day of May.

By order of the Board.
ERNEST ALEXANDER,
Secretary.

Montreal, March 12th, 1923.

DIVIDENDS

HOWARD SMITH PAPER MILLS, LIMITED

COMMON DIVIDEND NOTICE

Notice is hereby given that a dividend of 1½% on the Common Stock (being at the rate of 6% per annum) of the HOWARD SMITH PAPER MILLS, LIMITED, has been declared for the quarter ending the 31st day of March, 1923, payable on the 20th day of April, 1923, to Shareholders of record at the close of business on the 10th day of April, 1923.

By order of the Board.
HAROLD CRABTREE,
Secretary.

Montreal, March 26, 1923.

HOWARD SMITH PAPER MILLS, LIMITED

PREFERRED DIVIDEND NOTICE

Notice is hereby given that a dividend of 2% on the Preferred Stock (being at the rate of 8% per annum) of the HOWARD SMITH PAPER MILLS, LIMITED, has been declared for the quarter ending the 31st day of March, 1923, payable on the 20th day of April, 1923, to Shareholders of record at the close of business on the 10th day of April, 1923.

By order of the Board.
HAROLD CRABTREE,
Secretary.

Montreal, March 26, 1923.

PROVINCIAL PAPER MILLS LIMITED

Regular Quarterly Dividend, 1½%, on Common Stock.

All payable on April 2nd, 1923, to Shareholders of record at close of business, March 15th, 1923.

(Signed) S. F. DUNCAN,
Treasurer.

DIVIDEND NOTICE

Notice is hereby given that Dividends have been declared by Provincial Paper Mills, Limited, as follows:

Regular Quarterly Dividend, 1¾%, on Preferred Stock.

THE WABASSO COTTON COMPANY, LIMITED

DIVIDEND No. 21

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending March 31st, 1923, payable April 3rd, 1923, to shareholders of record at the close of business on the 15th of March, 1923.

By order of the Board.
JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, March 8th, 1923.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A Dividend of two per cent. (2%) has been declared payable at the Office of the Company, in Montreal, on April 14, 1923, to shareholders of record at the close of business on March 23, 1923.

WM. GEO. SLACK,
Treasurer.

Montreal, March 14, 1923.

Woods Manufacturing Co. LIMITED

PREFERRED STOCK DIVIDEND NOTICE

The regular quarterly dividend of One and Three-Quarters per cent. (1¾%) on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending March 31st, 1923, has been declared payable April 2nd, 1923, to shareholders of record March 22nd, 1923.

By Order of the Board.
JOHN T. F. KEENE,
Secretary-Treasurer.

MONTREAL, March 14th, 1923.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1923, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of April, 1923, to shareholders of record of the 20th March, 1923.

By order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 23rd February, 1923.

DIVIDEND NO. 13.

Southern Canada Power Co. Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent. (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED, has been declared for the quarter ending March 31st, 1923, payable April 15th, to shareholders of record March 31st, 1923.

By order of the Board,
L. C. HASKELL,
Secretary-Treasurer.

Montreal, March 5th, 1923.

DOMINION TEXTILE COMPANY, Ltd.

NOTICE OF DIVIDEND

A dividend of three per cent. (3%) on the outstanding Common Stock of **Dominion Textile Company, Limited** (old company), and of one dollar ($1.00) per share on the outstanding Common Stock of **Dominion Textile Company, Limited** (new company), has been declared for the quarter ending 31st March, 1923, payable April 2nd, to shareholders of record 15th March, 1923.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 28th February, 1923.